

CARLYLE

Carlyle Secured Lending, Inc.  
Quarterly Earnings Presentation

September 30, 2022

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# Q3 2022 Quarterly Results

## Third Quarter Results

- Net investment income was \$0.58 per share<sup>(1)</sup>, which included \$0.14 of one-time income from restoring Direct Travel to accrual status
- Continued improvement in watchlist names contributed to net realized / unrealized gains of \$6.7 million, or \$0.13 per share
- NAV per share at 3Q22 was \$17.16, up 2.1% compared to prior quarter and 3.6% higher than our 4Q19 NAV of \$16.56
- Total investments on non-accrual status at amortized cost declined to 2.3% due to restoring Direct Travel and the restructured first-out portion of Derm Growth to accrual status in 3Q22

## Portfolio & Investment Activity

- Total investments at fair value were \$1.9 billion at 3Q22, up slightly compared to 2Q22
- An attractive deal environment during the quarter resulted in new investment activity of \$268 million with a weighted average yield on new debt investments of 10.0%
- Total repayments and sales during the quarter were \$212 million with a weighted average yield on exited debt investments of 8.8%

## Dividend & Capital Activity

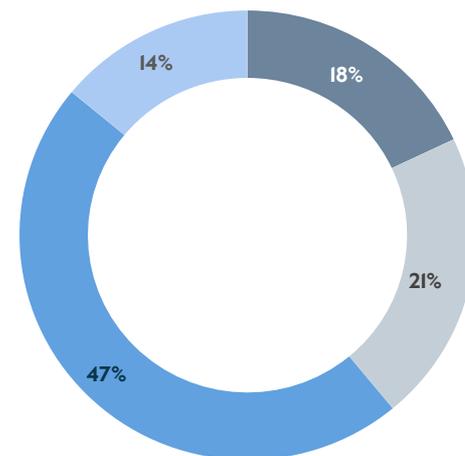
- Paid a 3Q22 base dividend of \$0.34 plus a supplemental dividend of \$0.06 per share, resulting in an annualized dividend yield of 9.3% based on 3Q22 NAV
- Declared 4Q22 base dividend of \$0.36 plus a supplemental dividend of \$0.08, an increase of 10% from the prior period's total dividend level
- Share repurchases in 3Q22 totaled 0.5 million shares for \$7.1 million, contributing \$0.03 per share of accretion to net asset value
- 3Q22 net financial leverage of 1.09x remains at the lower end of our target range

*(1) Per share amounts within this presentation apply to common shares of the Company unless otherwise noted*

# Portfolio Highlights

Total Investments and Commitments (\$mm)	\$2,135
Unfunded Commitments <sup>(1)</sup> (\$mm)	\$186
Total Investments at Fair Value (\$mm)	\$1,949
Yield of Debt Investments at Cost <sup>(2)</sup> (%)	10.12%
Yield of Debt Investments at Fair Value <sup>(2)</sup> (%)	10.50%
Number of Investments	165
Number of Portfolio Companies	127
Floating / Fixed <sup>(3)</sup> (%)	98.6% / 1.4%

- Top 10 Investments
- Next 11-25 Investments
- Remaining Investments
- Investment Funds



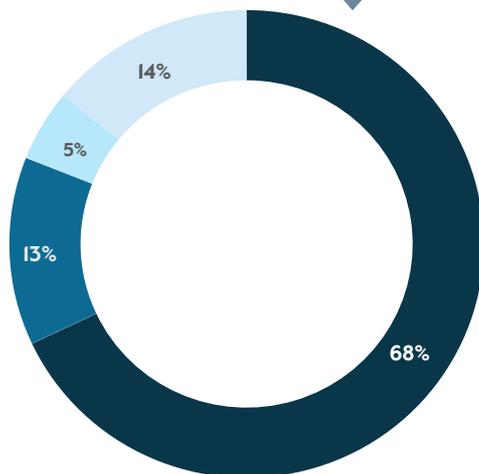
## KEY STATISTICS

## ASSET MIX

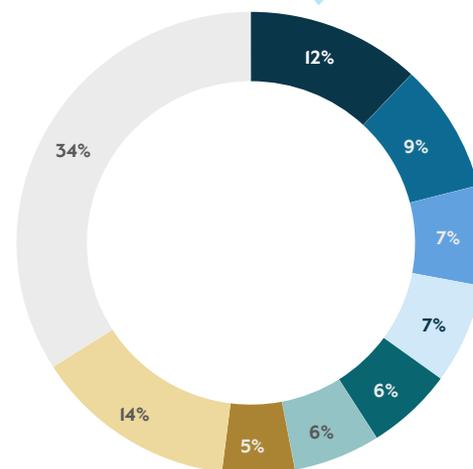
## DIVERSIFICATION BY BORROWER

## INDUSTRY

- First Lien Debt
- Second Lien Debt
- Equity Investments
- Investment Funds



- Healthcare & Pharmaceuticals
- Software
- High Tech Industries
- Aerospace & Defense
- Consumer Services
- Leisure Products & Services
- Business Services
- Investment Funds
- All Others



Note: Totals may not sum due to rounding. (1) Excludes the Company's commitments to fund capital to Middle Market Credit Fund, LLC ("Credit Fund"), which is not consolidated with the Company. (2) Weighted average yields of the debt investments include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of period end. Actual yields earned over the life of each investment could differ materially from the yields presented above. Weighted average yields for CSL do not include CSL's investment in Credit Fund or Credit Fund II. (3) % of fair value of first and second lien debt.

# Financial Performance Summary

<i>(Dollar amounts in thousands, except per share data)</i>	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Net Investment Income <sup>(1)</sup>	\$ 0.39	\$ 0.40	\$ 0.47	\$ 0.40	\$ 0.58
Net Realized & Unrealized Gains (Losses)	0.48	0.22	0.09	(0.33)	0.13
Net Income (Loss) <sup>(1)</sup>	0.87	0.62	0.56	0.07	0.71
Dividends Paid	0.38	0.39	0.40	0.40	0.40
Impact of Share Repurchases	0.02	0.03	0.03	0.03	0.03
<b>Net Asset Value</b>	<b>\$ 16.65</b>	<b>\$ 16.91</b>	<b>\$ 17.11</b>	<b>\$ 16.81</b>	<b>\$ 17.16</b>
<b>Common Shares Outstanding (in thousands)</b>					
Weighted Average Shares Outstanding for the Period	53,955	53,466	52,892	52,421	51,863
Shares Outstanding at End of Period	53,714	53,142	52,647	52,148	51,617
<b>Portfolio Highlights</b>					
Total Investments at Fair Value	\$1,948,206	\$1,913,052	\$1,873,183	\$1,889,276	\$1,948,957
Number of Portfolio Companies	123	117	117	125	127
Average Size of Investment in Portfolio Company (Notional) <sup>(2)</sup>	\$16,358	\$16,800	\$15,660	\$15,682	\$16,934
Weighted Average all-in Yield on Debt Investments at Amortized Cost <sup>(3)</sup>	7.69%	7.68%	7.72%	8.37%	10.12%
Weighted Average all-in Yield on Debt Investments at Fair Value <sup>(3)</sup>	7.92%	7.87%	7.96%	8.71%	10.50%
<b>Financial Position (at Quarter End)</b>					
Net Assets	\$944,394	\$948,804	\$950,540	\$926,493	\$935,651
Debt	1,061,815	1,044,022	996,141	1,079,954	1,060,615
<b>Net Financial Leverage <sup>(4)</sup></b>	<b>1.07x</b>	<b>1.02x</b>	<b>0.98x</b>	<b>1.05x</b>	<b>1.09x</b>
<b>Statutory Debt To Equity <sup>(5)</sup></b>	<b>1.25x</b>	<b>1.22x</b>	<b>1.16x</b>	<b>1.29x</b>	<b>1.26x</b>

*Note: The net asset value per share and dividends declared per share are based on the common shares outstanding at each respective quarter-end. Net investment income per common share and net change in realized and unrealized appreciation (depreciation) per common share are based on the weighted average number of common shares outstanding for the period. Totals may not sum due to rounding. (1) Net of the preferred dividend. (2) Excludes equity investments. (3) Weighted average yields include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of each respective period end. Actual yields earned over the life of each investment could differ materially from the yields presented above. (4) Reflects cumulative convertible preferred securities as equity, net of excess cash held at period end, which was \$43.8 million on September 30, 2022. (5) Reflects cumulative convertible preferred securities as debt. These securities are considered "senior securities" for the purposes of calculating asset coverage pursuant to the Investment Company Act.*

# Origination Activity Detail

(Dollar amounts in thousands and based on par/principal)

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
<b>Originations and Net Investment Activity</b>					
Investment Fundings	\$ 276,955	\$ 236,010	\$ 111,663	\$ 199,106	\$ 268,465
Unfunded Commitments, Net Change	6,582	(2,491)	57,398	(22,341)	(29,610)
Sales and Repayments	\$ (215,120)	\$ (272,529)	\$ (144,581)	\$ (161,352)	\$ (212,437)
<b>Net Investment Activity</b>	<b>\$ 68,417</b>	<b>\$ (39,010)</b>	<b>\$ 24,480</b>	<b>\$ 15,413</b>	<b>\$ 26,418</b>
<b>Originations by Asset Type <sup>(1)</sup></b>					
First Lien Debt	78.6 %	83.1 %	99.0 %	99.8 %	99.6%
Second Lien Debt	21.3 %	5.8 %	0.2 %	0.2 %	0.1%
Equity Investments	0.2 %	11.1 %	0.7 %	— %	0.3%
<b>Total Investment Portfolio at Fair Value <sup>(2)</sup></b>					
First Lien Debt	65.5 %	64.4 %	65.4 %	66.5 %	68.2%
Second Lien Debt	18.1 %	17.9 %	16.2 %	15.4 %	13.5%
Equity Investments	2.7 %	4.0 %	4.2 %	4.2 %	4.7%
Investment Funds	13.7 %	13.7 %	14.2 %	13.9 %	13.6%

(1) Excludes activity related to Investment Funds. (2) At quarter end

# Quarterly Operating Results Detail

(Dollar amounts in thousands, except per share data)

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
<b>Investment Income</b>					
Interest income	\$ 33,039	\$ 32,225	\$ 34,028	\$ 31,682	\$ 37,499
Payment-In-Kind interest income	2,441	2,462	3,721	3,728	11,146
Income from Credit Funds	7,523	7,524	7,524	7,524	7,524
Other income	759	1,761	2,236	1,634	2,974
<b>Total investment income</b>	<b>\$ 43,762</b>	<b>\$ 43,972</b>	<b>\$ 47,509</b>	<b>\$ 44,568</b>	<b>\$ 59,143</b>
<b>Expenses</b>					
Management fees	\$ 7,233	\$ 7,319	\$ 7,050	\$ 7,113	\$ 7,262
Incentive fees	4,516	4,487	5,228	4,458	6,451
Interest expense and credit facility fees	7,954	7,745	7,616	9,170	11,937
Other expenses	1,810	1,616	1,743	1,781	1,891
Excise tax expense	163	356	353	176	449
<b>Net expenses</b>	<b>\$ 21,676</b>	<b>\$ 21,523</b>	<b>\$ 21,990</b>	<b>\$ 22,698</b>	<b>\$ 27,990</b>
Preferred stock dividend	875	875	875	875	875
<b>Net investment income <sup>(1)</sup></b>	<b>\$ 21,211</b>	<b>\$ 21,574</b>	<b>\$ 24,644</b>	<b>\$ 20,995</b>	<b>\$ 30,278</b>
Net realized and change in unrealized gains (losses)	25,534	11,512	5,164	(17,205)	6,677
<b>Net income (loss) <sup>(1)</sup></b>	<b>\$ 46,745</b>	<b>\$ 33,086</b>	<b>\$ 29,808</b>	<b>\$ 3,790</b>	<b>\$ 36,955</b>
<b>Net investment income per Share</b>	<b>\$ 0.39</b>	<b>\$ 0.40</b>	<b>\$ 0.47</b>	<b>\$ 0.40</b>	<b>\$ 0.58</b>
<b>Net income (loss) per Share</b>	<b>\$ 0.87</b>	<b>\$ 0.62</b>	<b>\$ 0.56</b>	<b>\$ 0.07</b>	<b>\$ 0.71</b>

(1) Net of the preferred dividend.

# Quarterly Balance Sheet Detail

(Dollar amounts in thousands, except per share data)

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
<b>Assets</b>					
Investments—non-controlled/non-affiliated, at fair value	\$ 1,643,584	\$ 1,607,731	\$ 1,576,247	\$ 1,593,901	\$ 1,642,494
Investments—non-controlled/affiliated, at fair value	30,410	30,286	30,771	32,697	41,863
Investments—controlled/affiliated, at fair value	274,212	275,035	266,165	262,678	264,600
Total investments, at fair value	1,948,206	1,913,052	1,873,183	1,889,276	1,948,957
Cash, cash equivalents and restricted cash	46,164	93,074	69,512	39,291	68,644
Receivable for investment sold/repaid	23,235	530	13,060	89,445	4,884
Deferred financing costs	3,256	3,066	2,882	4,044	3,558
Interest Receivable from non-controlled/non-affiliated Investments	13,486	11,011	15,284	12,875	14,311
Interest Receivable from non-controlled/affiliated Investments	581	611	611	615	624
Interest and Dividend Receivable from controlled/affiliated Investments	7,866	8,522	9,212	8,565	9,393
Prepaid expenses and other assets	1,376	1,484	2,214	1,842	3,661
<b>Total assets</b>	<b>\$ 2,044,170</b>	<b>\$ 2,031,350</b>	<b>\$ 1,985,958</b>	<b>\$ 2,045,953</b>	<b>\$ 2,054,032</b>
<b>Liabilities &amp; Net Assets</b>					
Secured borrowings	\$ 425,545	\$ 407,655	\$ 359,679	\$ 443,395	\$ 423,959
2015-IR Notes payable, net of unamortized debt issuance costs	446,721	446,783	446,844	446,906	446,968
Senior Notes, net of unamortized debt issuance costs	189,549	189,584	189,618	189,653	189,688
Payable for investments purchased	68	323	328	322	13,872
Interest and credit facility fees payable	3,045	2,467	2,727	3,198	5,240
Dividend payable	20,388	20,705	21,035	20,840	20,625
Base management and incentive fees payable	11,752	11,819	12,304	11,581	13,748
Administrative service fees payable	661	482	825	938	1,409
Other accrued expenses and liabilities	2,047	2,728	2,058	2,627	2,872
<b>Total liabilities</b>	<b>\$ 1,099,776</b>	<b>\$ 1,082,546</b>	<b>\$ 1,035,418</b>	<b>\$ 1,119,460</b>	<b>\$ 1,118,381</b>
<b>Net assets</b>	<b>\$ 944,394</b>	<b>\$ 948,804</b>	<b>\$ 950,540</b>	<b>\$ 926,493</b>	<b>\$ 935,651</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 2,044,170</b>	<b>\$ 2,031,350</b>	<b>\$ 1,985,958</b>	<b>\$ 2,045,953</b>	<b>\$ 2,054,032</b>
<b>Net Asset Value Per Common Share</b>	<b>\$16.65</b>	<b>\$16.91</b>	<b>\$17.11</b>	<b>\$16.81</b>	<b>\$17.16</b>

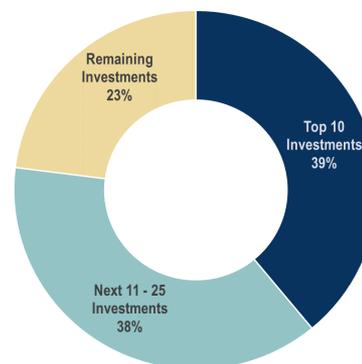
# Overview of Investment Funds

## Key Statistics - Credit Fund

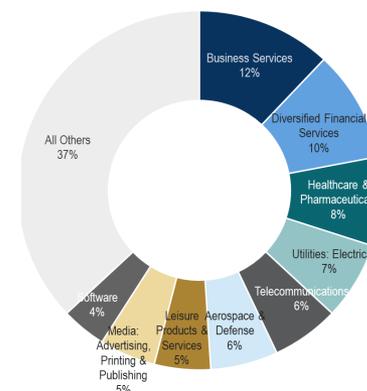
Total Investments and Commitments (\$mm)	\$937
Unfunded Commitments (\$mm)	\$41
Total Investments at Fair Value (\$mm)	\$896
Yield of Debt Investments (%) <sup>(1)</sup>	8.6%
Number of Investments	44
First Lien Exposure (%)	100%
Floating / Fixed (%) <sup>(2)</sup>	100.0% / 0.0%
Dividend Yield to CSL	10%

## Portfolio Composition - Credit Fund

### Diversification by Borrower



### Industry

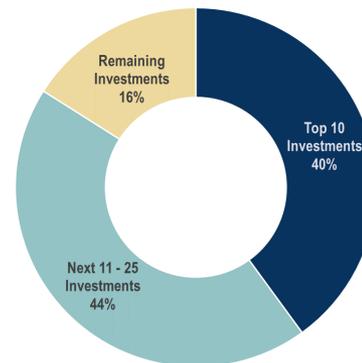


## Key Statistics - Credit Fund II

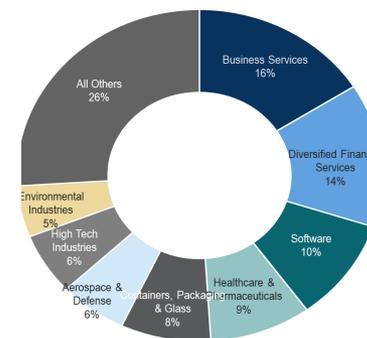
Total Investments and Commitments (\$mm)	\$239
Total Investments at Fair Value (\$mm)	\$239
Yield of Debt Investments (%) <sup>(1)</sup>	9.6%
Number of Investments	34
First Lien Exposure (%)	90%
Floating / Fixed (%) <sup>(2)</sup>	97.8% / 2.2%
Dividend Yield to CSL	13%

## Portfolio Composition - Credit Fund II

### Diversification by Borrower



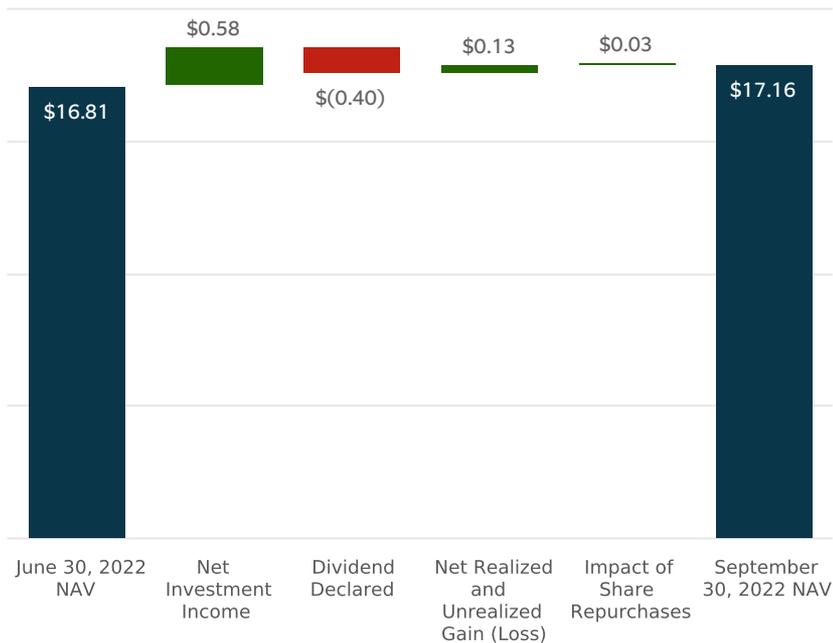
### Industry



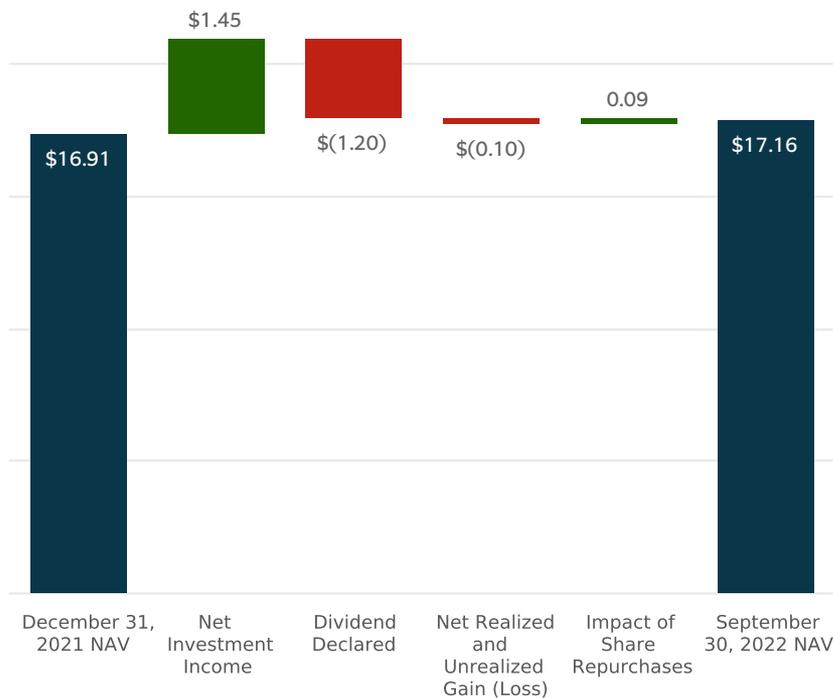
(1) Weighted average yields at cost of the debt investments include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of period end. Actual yields earned over the life of each investment could differ materially from the yields presented above. (2) % of fair value of first and second lien debt.

# Net Asset Value Per Share Bridge

## Q3 2022



## YTD Q3 2022



*Note: The net asset value per share and dividends declared per share are based on the shares outstanding at each respective quarter-end. Net investment income per share and net change in realized and unrealized appreciation (depreciation) per share are based on the weighted average number of shares outstanding for the period. Net investment income is also net of the preferred dividend. Totals may not sum due to rounding.*

# Risk Rating Distribution

- As of September 30, 2022, two investments were on non-accrual status, representing 1.9% of total investments at fair value and 2.3% at amortized cost.

Portfolio Risk Ratings					
<i>(Dollar amounts in millions)</i>					
Internal Risk Rating	June 30, 2022			September 30, 2022	
	Fair Value	% of Fair Value		Fair Value	% of Fair Value
1	\$ 60.1	3.9%		\$ 33.9	2.1%
2	1,124.5	72.6%		1,261.1	79.3%
3	288.4	18.6%		259.5	16.3%
4	30.0	1.9%		37.4	2.3%
5	45.0	2.9%		—	—%
<b>Total</b>	<b>\$ 1,548.0</b>	<b>100.0%</b>		<b>\$ 1,591.8</b>	<b>100.0%</b>

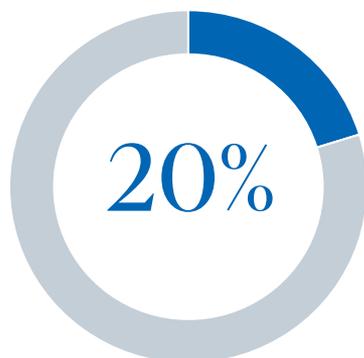
Rating	Definition
1	Borrower is operating above expectations, and the trends and risk factors are generally favorable.
2	Borrower is operating generally as expected or at an acceptable level of performance. The level of risk to our initial cost bases is similar to the risk to our initial cost basis at the time of origination. This is the initial risk rating assigned to all new borrowers.
3	Borrower is operating below expectations and level of risk to our cost basis has increased since the time of origination. The borrower may be out of compliance with debt covenants. Payments are generally current although there may be higher risk of payment default.
4	Borrower is operating materially below expectations and the loan's risk has increased materially since origination. In addition to the borrower being generally out of compliance with debt covenants, loan payments may be past due, but generally not by more than 120 days. It is anticipated that we may not recoup our initial cost basis and may realize a loss of our initial cost basis upon exit.
5	Borrower is operating substantially below expectations and the loan's risk has increased substantially since origination. Most or all of the debt covenants are out of compliance and payments are substantially delinquent. It is anticipated that we will not recoup our initial cost basis and may realize a substantial loss of our initial cost basis upon exit.

# Funding and Capital Management Overview

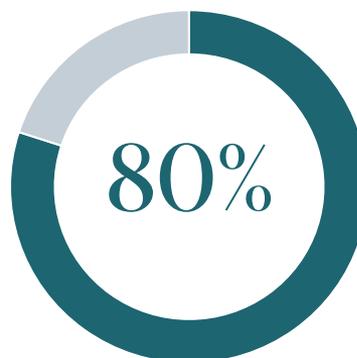
## Overview of Balance Sheet Financing Facilities

	Commitment	Outstanding	Maturity Date	Pricing
<b>Credit Facility</b>	\$688	\$424	05/25/2027	SOFR + 1.88%
<b>2015-1R Notes</b>	\$449	\$449	10/15/2031	L + 2.00% <sup>(1)</sup>
<b>2019 Senior Notes</b>	\$115	\$115	12/31/2024	4.75%
<b>2020 Senior Notes</b>	\$75	\$75	12/31/2024	4.50%
<b>Total / Weighted Average</b>	\$1,327	\$1,063	6.1 years	4.23%

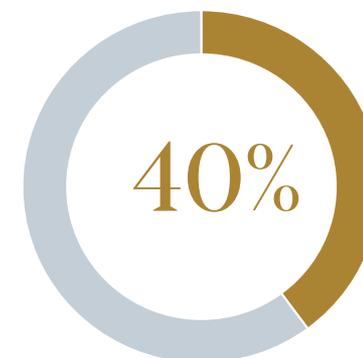
% of Utilized Balance Sheet  
Leverage Fixed



% of Committed Balance Sheet  
Leverage Utilized



% of Utilized Balance Sheet  
Leverage Mark-To-Market



*(1) Interest rate for the 2015-1R Notes represents the weighted average spread over for the various tranches of issued notes excluding a \$25 million note that has a fixed interest rate of 4.56%*