

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 9, 2022

**Carlyle Secured Lending, Inc.**  
(Exact name of registrant as specified in charter)

Maryland

(State or Other Jurisdiction  
of Incorporation)

No. 814-00995

(Commission  
File Number)

80-0789789

(I.R.S. Employer  
Identification No.)

One Vanderbilt Avenue, Suite 3400  
New York, New York

(Address of Principal Executive Offices)

10017

(Zip Code)

Registrant's telephone number, including area code: (212) 813-4900

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)  
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)  
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))  
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:

Common stock, \$0.01 per share

Trading Symbol(s)

CGBD

Name of each exchange on which registered:

The Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 2.02 – Results of Operations and Financial Condition.**

On August 9, 2022, Carlyle Secured Lending, Inc. (the "Company") issued a summary press release and a detailed earnings presentation announcing its second quarter 2022 financial results. Copies of the summary press release and the earnings presentation are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively.

The information disclosed under this Item 2.02, including Exhibits 99.1 and 99.2 hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933 (the "Securities Act") or the Exchange Act, except as expressly set forth by specific reference in such filing.

**Item 7.01 – Regulation FD Disclosure.**

On August 9, 2022, the Company issued a press release, included herewith as Exhibit 99.1, announcing the declaration of a third quarter 2021 base common dividend of \$0.34 per share plus a supplemental common dividend of \$0.06 per share, which are payable on October 14, 2022 to stockholders of record as of September 30, 2022.

The information disclosed under this Item 7.01, including Exhibit 99.1 hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, and shall not be deemed incorporated by reference into any filing made under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such filing.

**Item 9.01 – Financial Statements and Exhibits.**

Exhibits 99.1 and 99.2 shall be deemed furnished herewith.

(d) Exhibits:

<u>Exhibit Number</u>	<u>Description</u>
99.1	<a href="#"><u>Summary earnings press release of Carlyle Secured Lending, Inc., dated August 9, 2022.</u></a>
99.2	<a href="#"><u>Earnings presentation of Carlyle Secured Lending, Inc., dated August 9, 2022.</u></a>

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CARLYLE SECURED LENDING, INC.  
(Registrant)

Dated: August 9, 2022

By: /s/ Thomas M. Hennigan  
Name: Thomas M. Hennigan  
Title: Chief Financial Officer

# CARLYLE

SECURED LENDING

For Immediate Release  
August 9, 2022

## Carlyle Secured Lending, Inc. Announces Second Quarter 2022 Financial Results and Increases Quarterly Base Dividend Rate

**New York** - Carlyle Secured Lending, Inc. (together with its consolidated subsidiaries, “we,” “us,” “our,” “CSL” or the “Company”, formerly known as TCG BDC, Inc.) (NASDAQ: CGBD) today announced its financial results for its second quarter ended June 30, 2022 and declared total third quarter dividends \$0.40 of per share.

Linda Pace, CSL’s Chief Executive Officer said, “Our second quarter results again demonstrated solid credit performance and attractive, sustainable income returns. Despite complex and evolving macroeconomic conditions, we are positioned for strong income growth from the net reductions in non-accrual assets, increasing interest rates and a favorable deployment environment. As a result, we increased our base dividend rate in the third quarter, with an expectation for additional increases over the coming quarters.”

### Selected Financial Highlights

(dollar amounts in thousands, except share and per share data)

	June 30, 2022	March 31, 2022
Total investments, at fair value	\$ 1,889,276	\$ 1,873,183
Total assets	2,045,953	1,985,958
Total debt	1,079,954	996,141
Total net assets	\$ 926,493	\$ 950,540
Net assets per common share	\$ 16.81	\$ 17.11
	<b>For the three month periods ended</b>	
	<b>June 30, 2022</b>	<b>March 31, 2022</b>
Total investment income	\$ 44,568	\$ 47,509
Net investment income (loss), net of the preferred dividend	20,995	24,644
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments and non-investment assets and liabilities	(17,205)	5,164
Net increase (decrease) in net assets resulting from operations attributable to common stockholders	\$ 3,790	\$ 29,808
Per weighted-average common share—Basic:		
Net investment income (loss), net of preferred dividend	\$ 0.40	\$ 0.47
Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments and non-investment assets and liabilities	(0.33)	0.09
Net increase (decrease) in net assets resulting from operations attributable to common stockholders	\$ 0.07	\$ 0.56
Weighted-average shares of common stock outstanding—Basic	52,421,296	52,892,054
Base dividends declared per common share	\$ 0.32	\$ 0.32
Supplemental dividends declared per common share	\$ 0.08	\$ 0.08

**Quarterly Highlights and Recent Developments**

(dollar amounts in thousands, except per share data)

- Net investment income, net of the preferred dividend, for the three month period ended June 30, 2022 was \$20,995, or \$0.40 per common share, as compared to \$24,644, or \$0.47 per common share, for the three month period ended March 31, 2022.
- Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments and non-investment assets and liabilities for the three month period ended June 30, 2022 was \$(17,205), or \$(0.33) per share, as compared to \$5,164, or \$0.09 per share, for the three month period ended March 31, 2022.
- Net increase (decrease) in net assets resulting from operations attributable to common stockholders for the three month period ended June 30, 2022 was \$3,790, or \$0.07 per common share, as compared to \$29,808, or \$0.56 per share, for the three month period ended March 31, 2022.
- Net asset value per common share for the quarter ended June 30, 2022 decreased 1.8% to \$16.81 from \$17.11 as of March 31, 2022 primarily due to widening market yields, partially offset by continued recovery in the valuations of watchlist investments and remains 1.5% higher than the 4Q19 NAV of \$16.56.
- The Company repurchased and extinguished 0.5 million shares of the Company's common stock during the three month period ended June 30, 2022, at an average cost of \$13.97 per share, or \$6,968 in the aggregate, resulting in accretion to net assets per share of \$0.03. As of June 30, 2022, there was \$10.7 million remaining under the stock repurchase program.
- Subsequent to quarter end, the Board approved extending the existing stock repurchase program by one year through November 5, 2023 and authorized increasing the total size of the program to \$200 million, providing an incremental \$50 million of repurchasing capacity.
- On August 8, 2022, the Board of Directors declared a base quarterly common dividend of \$0.34 plus a supplemental common dividend of \$0.06, which are payable on October 14, 2022 to common stockholders of record on September 30, 2022.

**Portfolio and Investment Activity**

(dollar amounts in thousands, except per share data, unless otherwise noted)

As of June 30, 2022, the fair value of our investments was approximately \$1,889,276, comprised of 161 investments in 125 portfolio companies/investment funds across 28 industries. This compares to the Company's portfolio as of March 31, 2022, as of which date the fair value of our investments was approximately \$1,873,183, comprised of 156 investments in 117 portfolio companies/investment funds across 27 industries.

As of June 30, 2022 and March 31, 2022, investments consisted of the following:

<u>Type—% of Fair Value</u>	<u>June 30, 2022</u>		<u>March 31, 2022</u>	
	<u>Fair Value</u>	<u>% of Fair Value</u>	<u>Fair Value</u>	<u>% of Fair Value</u>
First Lien Debt	\$ 1,257,282	66.5 %	\$ 1,224,117	65.4 %
Second Lien Debt	290,683	15.4	304,202	16.2
Equity Investments	78,633	4.2	78,699	4.2
Investment Funds	262,678	13.9	266,165	14.2
<b>Total</b>	<b>\$ 1,889,276</b>	<b>100.0 %</b>	<b>\$ 1,873,183</b>	<b>100.0 %</b>

The following table shows our investment activity for the three month period ended June 30, 2022:

<u>Principal amount of investments:</u>	<u>Funded</u>		<u>Sold/Repaid</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>
First Lien Debt	\$ 198,625	99.8 %	\$ (156,301)	96.9
Second Lien Debt	430	0.2	(5,000)	3.1
Equity Investments	51	—	(51)	—
Investment Funds	—	—	—	—
<b>Total</b>	<b>\$ 199,106</b>	<b>100.0 %</b>	<b>\$ (161,352)</b>	<b>100.0 %</b>

Overall, total investments at fair value increased by 0.9%, or \$16,093, during the three month period ended June 30, 2022 after factoring in repayments, sales, net fundings on revolvers and delayed draws and net change in unrealized appreciation (depreciation).

As of June 30, 2022, the total weighted average yield for our first and second lien debt investments on an amortized cost basis was 8.37%, which includes the effect of accretion of discounts and amortization of premiums and are based on interest rates as of June 30, 2022. As of June 30, 2022, on a fair value basis, approximately 1.5% of our debt investments bear interest at a fixed rate and approximately 98.5% of our debt investments bear interest at a floating rate.

The Company has investments in two credit funds, Middle Market Credit Fund, LLC ("Credit Fund") and Middle Market Credit Fund II, LLC ("Credit Fund II"), which represented 13.9% of the Company's total investments at fair value as of June 30, 2022.

Total investments at fair value held by Credit Fund, which is not consolidated with the Company, increased by 1.5%, or \$13,881, during the three month period ended June 30, 2022 after factoring in repayments, sales, net fundings on revolvers and delayed draws and net change in unrealized appreciation (depreciation). As of June 30, 2022, Credit Fund had total investments at fair value of \$911,698, which were comprised of 100.0% of first lien senior secured loans at fair value. As of June 30, 2022, on a fair value basis, 100.0% of Credit Fund's debt investments bear interest at a floating rate.

Total investments at fair value held by Credit Fund II, which is not consolidated with the Company, increased by 5.8%, or \$13,047 during the three month period ended June 30, 2022 after factoring in repayments, sales, and net change in unrealized appreciation (depreciation). As of June 30, 2022, Credit Fund II had total investments at fair value of \$237,360, which were comprised of 89.5% of first lien senior secured loans and 10.5% of second lien senior secured loans at fair value. As of June 30, 2022, on a fair value basis, approximately 2.2% of Credit Fund II's debt investments bear interest at a fixed rate and approximately 97.8% of Credit Fund II's debt investments bear interest at a floating rate.

As part of the monitoring process, our Investment Adviser has developed risk policies pursuant to which it regularly assesses the risk profile of each of our debt investments and rates each of them based on the following categories, which we refer to as "Internal Risk Ratings". Key drivers of internal risk ratings include financial metrics, financial covenants, liquidity and enterprise value coverage.

#### **Internal Risk Ratings Definitions**

<b><u>Rating</u></b>	<b><u>Definition</u></b>
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.

Our Investment Adviser monitors and, when appropriate, changes the investment ratings assigned to each debt investment in our portfolio. Our Investment Adviser reviews our investment ratings in connection with our quarterly valuation process. The following table summarizes the Internal Risk Ratings of our debt portfolio as of June 30, 2022 and March 31, 2022:

	June 30, 2022		March 31, 2022	
	Fair Value	% of Fair Value	Fair Value	% of Fair Value
(dollar amounts in millions)				
Internal Risk Rating 1	\$ 60.1	3.9 %	\$ 16.9	1.1 %
Internal Risk Rating 2	1,124.5	72.7	1,152.0	75.4
Internal Risk Rating 3	288.5	18.6	290.3	19.0
Internal Risk Rating 4	30.0	1.9	28.0	1.8
Internal Risk Rating 5	45.0	2.9	41.1	2.7
<b>Total</b>	<b>\$ 1,548.0</b>	<b>100.0 %</b>	<b>\$ 1,528.3</b>	<b>100.0 %</b>

As of June 30, 2022 and March 31, 2022, the weighted average Internal Risk Rating of our debt investment portfolio was 2.3 and 2.3, respectively.

#### Consolidated Results of Operations

(dollar amounts in thousands, except per share data)

Total investment income for the three month periods ended June 30, 2022 and March 31, 2022 was \$44,568 and \$47,509, respectively. Excluding one-time income received during the three month period ended March 31, 2022 from the exit of the investment in SolAero, total investment income for the three month period ended June 30, 2022 increased \$1,204 due to higher core interest income from a higher average investment balance and higher benchmark interest rates.

Total expenses for the three month periods ended June 30, 2022 and March 31, 2022 were \$22,698 and \$21,990, respectively. This \$708 net increase during the three month period ended June 30, 2022 was primarily due to an increase in interest expense as a result of a higher average debt balance and higher benchmark interest rates, partially offset by lower incentive fees.

During the three month period ended June 30, 2022, the Company recorded a net realized and unrealized loss of \$(17,205). This was driven primarily by the negative impact of widening market yields and, to a lesser extent, inflation driven earnings impacts at certain borrowers, partially offset by continued recovery in the valuations of watchlist investments.

#### Liquidity and Capital Resources

(dollar amounts in thousands, except per share data)

As of June 30, 2022, the Company had cash, cash equivalents and restricted cash of \$39,291, notes payable and senior unsecured notes (before debt issuance costs) of \$449,200 and \$190,000, respectively, and secured borrowings outstanding of \$443,395. As of June 30, 2022, the Company had \$244,605 of remaining unfunded commitments and \$244,464 available for additional borrowings under its revolving credit facility, subject to leverage and borrowing base restrictions.

#### Dividends

On August 8, 2022, the Board of Directors declared a base quarterly common dividend of \$0.34 plus a supplemental common dividend of \$0.06, which are payable on October 14, 2022 to common stockholders of record on September 30, 2022.

On June 27, 2022, the Company declared and paid a cash dividend on the Preferred Stock for the period from April 1, 2022 to June 30, 2022 in the amount of \$0.438 per Preferred Share to the holder of record on June 30, 2022.

#### Conference Call

The Company will host a conference call at 10:00 a.m. EDT on Wednesday, August 10, 2022 to discuss these quarterly financial results. The call and webcast will be available on the CSL website at [carlylesecurableding.com](http://carlylesecurableding.com). The call may be accessed by dialing +1 (646) 307-1963 (U.S.) or +1 (800) 715-9871 (international) and referencing "Carlyle Secured Lending Financial Results Call." The conference call will be webcast simultaneously via a link on Carlyle Secured Lending's website and an archived replay of the webcast also will be available on the website soon after the live call for 21 days.

**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED STATEMENTS OF ASSETS AND LIABILITIES**  
(dollar amounts in thousands, except per share data)

	June 30, 2022 (unaudited)	March 31, 2022 (unaudited)
<b>ASSETS</b>		
Investments, at fair value		
Investments—non-controlled/non-affiliated, at fair value (amortized cost of \$1,649,919 and \$1,610,824, respectively)	\$ 1,593,901	\$ 1,576,247
Investments—non-controlled/affiliated, at fair value (amortized cost of \$37,285 and \$38,332, respectively)	32,697	30,771
Investments—controlled/affiliated, at fair value (amortized cost of \$271,097 and \$271,097, respectively)	262,678	266,165
Total investments, at fair value (amortized cost of \$1,958,301 and \$1,920,253, respectively)	1,889,276	1,873,183
Cash, cash equivalents and restricted cash	39,291	69,512
Receivable for investment sold/repaid	89,445	13,060
Deferred financing costs	4,044	2,882
Interest receivable from non-controlled/non-affiliated investments	12,875	15,284
Interest receivable from non-controlled/affiliated investments	615	611
Interest and dividend receivable from controlled/affiliated investments	8,565	9,212
Prepaid expenses and other assets	1,842	2,214
Total assets	\$ 2,045,953	\$ 1,985,958
<b>LIABILITIES</b>		
Secured borrowings	\$ 443,395	\$ 359,679
2015-1R Notes payable, net of unamortized debt issuance costs of \$2,294 and \$2,356, respectively	446,906	446,844
Senior Notes, net of unamortized debt issuance costs of \$347 and \$382, respectively)	189,653	189,618
Payable for investments purchased	322	328
Interest and credit facility fees payable	3,198	2,727
Dividend payable	20,840	21,035
Base management and incentive fees payable	11,581	12,304
Administrative service fees payable	938	825
Other accrued expenses and liabilities	2,627	2,058
Total liabilities	1,119,460	1,035,418
<b>NET ASSETS</b>		
Cumulative convertible preferred stock, \$0.01 par value; 2,000,000 shares authorized; 2,000,000 shares issued and outstanding as of June 30, 2022 and March 31, 2022	50,000	50,000
Common stock, \$0.01 par value; 198,000,000 shares authorized; 52,148,211 and 52,647,158 shares issued and outstanding at June 30, 2022 and March 31, 2022, respectively	521	527
Paid-in capital in excess of par value	1,038,462	1,045,424
Offering costs	(1,633)	(1,633)
Total distributable earnings (loss)	(160,857)	(143,778)
Total net assets	\$ 926,493	\$ 950,540
<b>NET ASSETS PER COMMON SHARE</b>	<b>\$ 16.81</b>	<b>\$ 17.11</b>



**CARLYLE SECURED LENDING, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(dollar amounts in thousands, except per share data)

	For the three month periods ended	
	June 30, 2022	March 31, 2022
	(unaudited)	(unaudited)
<b>Investment income:</b>		
From non-controlled/non-affiliated investments:		
Interest income	\$ 35,362	\$ 33,828
Other income	1,632	1,962
<b>Total investment income from non-controlled/non-affiliated investments</b>	<b>36,994</b>	<b>35,790</b>
From non-controlled/affiliated investments:		
Interest income	48	48
Other income	2	2
<b>Total investment income from non-controlled/affiliated investments</b>	<b>50</b>	<b>50</b>
From controlled/affiliated investments:		
Interest income	—	3,873
Dividend income	7,524	7,524
Other income	—	272
<b>Total investment income from controlled/affiliated investments</b>	<b>7,524</b>	<b>11,669</b>
<b>Total investment income</b>	<b>44,568</b>	<b>47,509</b>
<b>Expenses:</b>		
Base management fees	7,113	7,050
Incentive fees	4,458	5,228
Professional fees	752	783
Administrative service fees	461	406
Interest expense	8,582	7,099
Credit facility fees	588	517
Directors' fees and expenses	186	160
Other general and administrative	382	394
<b>Total expenses</b>	<b>22,522</b>	<b>21,637</b>
<b>Net investment income (loss) before taxes</b>	<b>22,046</b>	<b>25,872</b>
Excise tax expense	176	353
<b>Net investment income (loss)</b>	<b>21,870</b>	<b>25,519</b>
<b>Net realized gain (loss) and net change in unrealized appreciation (depreciation) on investments and non-investment assets and liabilities:</b>		
Net realized gain (loss) from:		
Non-controlled/non-affiliated investments	(653)	4,575
Controlled/affiliated	707	1,264
Currency gains (losses) on non-investment assets and liabilities	(39)	(368)
Net change in unrealized appreciation (depreciation) on investments:		
Non-controlled/non-affiliated	(21,439)	(11,243)
Non-controlled/affiliated	2,974	614
Controlled/affiliated	(3,487)	8,057
Net change in unrealized currency gains (losses) on non-investment assets and liabilities	4,732	2,265
<b>Net realized and unrealized gain (loss) on investments and non-investment assets and liabilities</b>	<b>(17,205)</b>	<b>5,164</b>
Net increase (decrease) in net assets resulting from operations	4,665	30,683
Preferred stock dividend	875	875
<b>Net increase (decrease) in net assets resulting from operations attributable to Common Stockholders</b>	<b>\$ 3,790</b>	<b>\$ 29,808</b>
<b>Basic and diluted earnings per common share:</b>		
Basic	\$ 0.07	\$ 0.56
Diluted	\$ 0.07	\$ 0.53
<b>Weighted-average shares of common stock outstanding:</b>		
Basic	52,421,296	52,892,054
Diluted	52,421,296	58,194,422

## About Carlyle Secured Lending, Inc.

CSL is an externally managed specialty finance company focused on lending to middle-market companies. CSL is managed by Carlyle Global Credit Investment Management L.L.C., an SEC-registered investment adviser and a wholly owned subsidiary of The Carlyle Group Inc. Since it commenced investment operations in May 2013 through June 30, 2022, CSL has invested approximately \$7.4 billion in aggregate principal amount of debt and equity investments prior to any subsequent exits or repayments. CSL's investment objective is to generate current income and capital appreciation primarily through debt investments in U.S. middle market companies. CSL has elected to be regulated as a business development company under the Investment Company Act of 1940, as amended.

Web: [carlylesesecuredlending.com](http://carlylesesecuredlending.com)

## About Carlyle

Carlyle ("Carlyle," or the "Adviser") (NASDAQ: CG) is a global investment firm with deep industry expertise that deploys private capital across three business segments: Global Private Equity, Global Credit and Global Investment Solutions. With \$376 billion of assets under management as of June 30, 2022, Carlyle's purpose is to invest wisely and create value on behalf of its investors, portfolio companies and the communities in which we live and invest. Carlyle employs more than 1,900 people in 26 offices across five continents. Further information is available at [www.carlyle.com](http://www.carlyle.com). Follow Carlyle on Twitter @OneCarlyle.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by the use of forward-looking terminology such as "anticipates," "believes," "expects," "intends," "will," "should," "may," "plans," "continue," "believes," "seeks," "estimates," "would," "could," "targets," "projects," "outlook," "potential," "predicts" and variations of these words and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. You should read statements that contain these words carefully because they discuss our plans, strategies, prospects and expectations concerning our business, operating results, financial condition and other similar matters. We believe that it is important to communicate our future expectations to our investors. There may be events in the future, however, that we are not able to predict accurately or control. You should not place undue reliance on these forward-looking statements, which speak only as of the date on which we make it. Factors or events that could cause our actual results to differ, possibly materially from our expectations, include, but are not limited to, the risks, uncertainties and other factors we identify in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in filings we make with the Securities and Exchange Commission, and it is not possible for us to predict or identify all of them. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

## Contacts:

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CARLYLE

Carlyle Secured Lending, Inc.  
Quarterly Earnings Presentation

June 30, 2022

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# Disclaimer and Forward-Looking Statement

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This presentation (the "Presentation") has been prepared by Carlyle Secured Lending, Inc. (together with its consolidated subsidiaries, "we," "us," "our," "CSL" or the "Company") (NASDAQ: CGBD) and may only be used for informational purposes only. This Presentation should be viewed in conjunction with the earnings conference call of the Company held on August 10, 2022 and the Company's Annual Report on Form 10-K for the year ended December 31, 2021. The information contained herein may not be used, reproduced, referenced, quoted, linked by website, or distributed to others, in whole or in part, except as agreed in writing by the Company.

This Presentation does not constitute a prospectus and should under no circumstances be understood as an offer to sell or the solicitation of an offer to buy our common stock or any other securities nor will there be any sale of the common stock or any other securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such state or jurisdiction.

This Presentation provides limited information regarding the Company and is not intended to be taken by, and should not be taken by, any individual recipient as investment advice, a recommendation to buy, hold or sell, or an offer to sell or a solicitation of offers to purchase, our common stock or any other securities that may be issued by the Company, or as legal, accounting or tax advice. An investment in securities of the type described herein presents certain risks.

This Presentation may contain forward-looking statements that involve substantial risks and uncertainties. You can identify these statements by the use of forward-looking terminology such as "anticipates," "believes," "expects," "intends," "will," "should," "may," "plans," "continue," "believes," "seeks," "estimates," "would," "could," "targets," "projects," "outlook," "potential," "predicts" and variations of these words and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. You should read statements that contain these words carefully because they discuss our plans, strategies, prospects and expectations concerning our business, operating results, financial condition and other similar matters. We believe that it is important to communicate our future expectations to our investors. There may be events in the future, however, that we are not able to predict accurately or control. You should not place undue reliance on these forward-looking statements, which speak only as of the date on which we make them. Factors or events that could cause our actual results to differ, possibly materially from our expectations, include, but are not limited to, the risks, uncertainties and other factors we identify in the sections entitled "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in filings we make with the Securities and Exchange Commission (the "SEC"), and it is not possible for us to predict or identify all of them. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Information throughout the Presentation provided by sources other than the Company (including information relating to portfolio companies) has not been independently verified and, accordingly, the Company makes no representation or warranty in respect of this information.

The following slides contain summaries of certain financial and statistical information about the Company. The information contained in this Presentation is summary information that is intended to be considered in the context of our SEC filings and other public announcements that we may make, by press release or otherwise, from time to time. We undertake no duty or obligation to publicly update or revise the information contained in this Presentation.

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## Q2 2022 Quarterly Results

### Second Quarter Results

- Net investment income was \$0.40 per share<sup>(1)</sup>, exceeding our guidance and in line with our prior quarter core earnings
- NAV per share was \$16.81 per share at 2Q22 down 1.8% as compared to the prior quarter while remaining 1.5% higher than our 4Q19 NAV of \$16.56
- The decline in our NAV was almost entirely driven by net unrealized losses from the impact of widening market yields
- Continued net improvement in the credit quality of our watchlist assets with a portion of Derm Growth returning to accrual status in 3Q22

### Portfolio & Investment Activity

- Total investments at fair value were \$1.9 billion at 2Q22, essentially flat compared to 1Q22
- An attractive deal environment during the quarter resulted in the closing of new investments totaling \$199 million with a weighted average yield on debt investments of 8.3%
- Total repayments and strategic sales during the quarter were \$161 million with a weighted average yield on debt investments of 7.9%

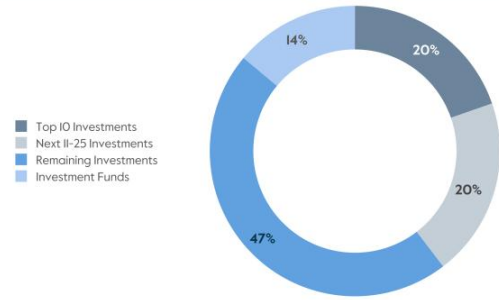
### Dividend & Capital Activity

- Paid a 2Q22 base dividend of \$0.32 plus a supplemental dividend of \$0.08 per share, resulting in a LTM dividend yield of 9.3% based on the 2Q22 NAV
- Declared a 3Q22 base dividend of \$0.34, an increase of 6.3%, plus a supplemental dividend of \$0.06. Based on the strong growth in our earnings potential, our expectation is that we may continue to increase the base dividend rate over the coming quarters
- Share repurchases in 2Q22 totaled 0.5 million shares for \$7.0 million, contributing \$0.03 per share of accretion to net asset value
- 2Q22 net financial leverage of 1.05x remains at the lower end of our 1.0x-1.4x target range

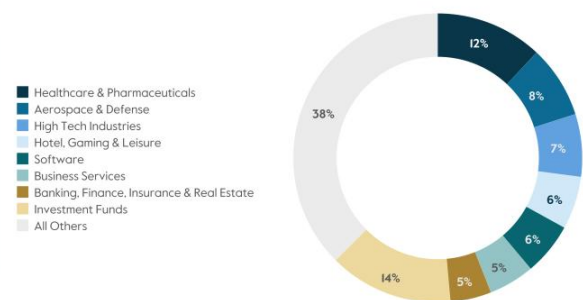
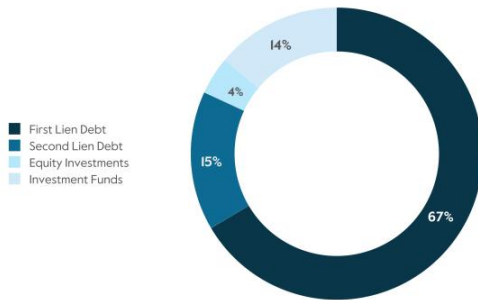
(1) Per share amounts within this presentation apply to common shares of the Company unless otherwise noted

# Portfolio Highlights

Total Investments and Commitments (\$mm)	\$2,105
Unfunded Commitments <sup>(1)</sup> (\$mm)	\$216
Total Investments at Fair Value (\$mm)	\$1,889
Yield of Debt Investments at Cost <sup>(2)</sup> (%)	8.37%
Yield of Debt Investments at Fair Value <sup>(2)</sup> (%)	8.71%
Number of Investments	161
Number of Portfolio Companies	125
Floating / Fixed <sup>(3)</sup> (%)	98.5% / 1.5%



## KEY STATISTICS      ASSET MIX      DIVERSIFICATION BY BORROWER      INDUSTRY



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

(Dollar amounts in thousands, except per share data)	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Net Investment Income <sup>(1)</sup>	\$ 0.38	\$ 0.39	\$ 0.40	\$ 0.47	\$ 0.40
Net Realized & Unrealized Gains (Losses)	0.39	0.48	0.22	0.09	(0.33)
Net Income (Loss) <sup>(1)</sup>	0.77	0.87	0.62	0.56	0.07
Dividends Paid	0.36	0.38	0.39	0.40	0.40
Impact of Share Repurchases	0.02	0.02	0.03	0.03	0.03
<b>Net Asset Value</b>	<b>\$ 16.14</b>	<b>\$ 16.65</b>	<b>\$ 16.91</b>	<b>\$ 17.11</b>	<b>\$ 16.81</b>
<b>Common Shares Outstanding (in thousands)</b>					
Weighted Average Shares Outstanding for the Period	54,538	53,955	53,466	52,892	52,421
Shares Outstanding at End of Period	54,210	53,714	53,142	52,647	52,148
<b>Portfolio Highlights</b>					
Total Investments at Fair Value	\$1,872,311	\$1,948,206	\$1,913,052	\$1,873,183	\$1,889,276
Number of Portfolio Companies	118	123	117	117	125
Average Size of Investment in Portfolio Company (Notional) <sup>(2)</sup>	\$16,533	\$16,358	\$16,800	\$15,660	\$15,682
Weighted Average all-in Yield on Debt Investments at Amortized Cost <sup>(3)</sup>	7.73%	7.69%	7.68%	7.72%	8.37%
Weighted Average all-in Yield on Debt Investments at Fair Value <sup>(3)</sup>	8.01%	7.92%	7.87%	7.96%	8.71%
<b>Financial Position (at Quarter End)</b>					
Net Assets	\$924,831	\$944,394	\$948,804	\$950,540	\$926,493
Debt	1,001,234	1,061,815	1,044,022	996,141	1,079,954
<b>Net Financial Leverage <sup>(4)</sup></b>	<b>1.03x</b>	<b>1.07x</b>	<b>1.02x</b>	<b>0.98x</b>	<b>1.05x</b>
<b>Statutory Debt To Equity <sup>(5)</sup></b>	<b>1.21x</b>	<b>1.25x</b>	<b>1.22x</b>	<b>1.16x</b>	<b>1.29x</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 \$113.1 million on June 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

<i>(Dollar amounts in thousands and based on par/principal)</i>	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
<b>Originations and Net Investment Activity</b>					
Investment Fundings	\$ 215,426	\$ 276,955	\$ 236,010	\$ 111,663	\$ 199,106
Unfunded Commitments, Net Change	27,255	6,582	(2,491)	57,398	(22,341)
Sales and Repayments	(202,624)	(215,120)	(272,529)	(144,581)	(161,352)
<b>Net Investment Activity</b>	<b>\$ 40,057</b>	<b>\$ 68,417</b>	<b>\$ (39,010)</b>	<b>\$ 24,480</b>	<b>\$ 15,413</b>
<b>Originations by Asset Type <sup>(1)</sup></b>					
First Lien Debt	85.2 %	78.6 %	83.1 %	99.0 %	99.8%
Second Lien Debt	5.8%	21.3%	5.8%	0.2%	0.2%
Equity Investments	9.0%	0.2%	11.1%	0.7%	—%
<b>Total Investment Portfolio at Fair Value <sup>(2)</sup></b>					
First Lien Debt	66.5%	65.5%	64.4%	65.4%	66.5%
Second Lien Debt	16.7%	18.1%	17.9%	16.2%	15.4%
Equity Investments	2.9%	2.7%	4.0%	4.2%	4.2%
Investment Funds	13.9%	13.7%	13.7%	14.2%	13.9%

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



## Quarterly Operating Results Detail

(Dollar amounts in thousands, except per share data)

	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
<b>Investment Income</b>					
Interest income	\$ 30,443	\$ 33,039	\$ 32,225	\$ 34,028	\$ 31,682
Payment-In-Kind interest income	2,318	2,441	2,462	3,721	3,728
Income from Credit Funds	7,488	7,523	7,524	7,524	7,524
Other income	2,407	759	1,761	2,236	1,634
<b>Total investment income</b>	<b>\$ 42,656</b>	<b>\$ 43,762</b>	<b>\$ 43,972</b>	<b>\$ 47,509</b>	<b>\$ 44,568</b>
<b>Expenses</b>					
Management fees	\$ 6,991	\$ 7,233	\$ 7,319	\$ 7,050	\$ 7,113
Incentive fees	4,420	4,516	4,487	5,228	4,458
Interest expense and credit facility fees	7,560	7,954	7,745	7,616	9,170
Other expenses	1,909	1,810	1,616	1,743	1,781
Excise tax expense	139	163	356	353	176
<b>Net expenses</b>	<b>\$ 21,019</b>	<b>\$ 21,676</b>	<b>\$ 21,523</b>	<b>\$ 21,990</b>	<b>\$ 22,698</b>
Preferred stock dividend	875	875	875	875	875
<b>Net investment income <sup>(1)</sup></b>	<b>\$ 20,762</b>	<b>\$ 21,211</b>	<b>\$ 21,574</b>	<b>\$ 24,644</b>	<b>\$ 20,995</b>
Net realized and change in unrealized gains (losses)	21,231	25,534	11,512	5,164	(17,205)
<b>Net income (loss) <sup>(1)</sup></b>	<b>\$ 41,993</b>	<b>\$ 46,745</b>	<b>\$ 33,086</b>	<b>\$ 29,808</b>	<b>\$ 3,790</b>
<b>Net investment income per Share</b>	<b>\$ 0.38</b>	<b>\$ 0.39</b>	<b>\$ 0.40</b>	<b>\$ 0.47</b>	<b>\$ 0.40</b>
<b>Net income (loss) per Share</b>	<b>\$ 0.77</b>	<b>\$ 0.87</b>	<b>\$ 0.62</b>	<b>\$ 0.56</b>	<b>\$ 0.07</b>

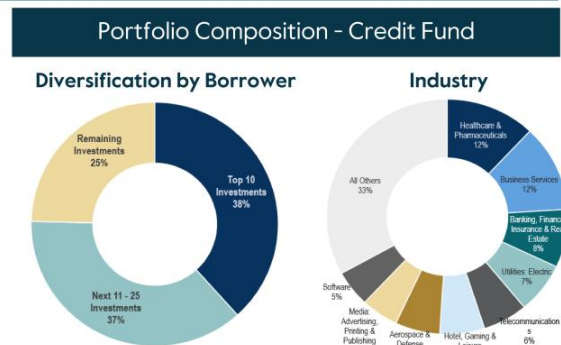
(1) Net of the preferred dividend.

## Quarterly Balance Sheet Detail

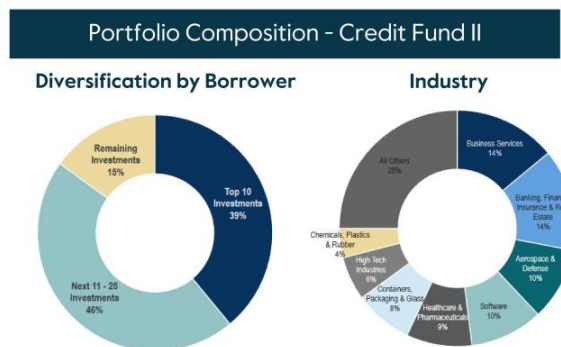
	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
<i>(Dollar amounts in thousands, except per share data)</i>					
<b>Assets</b>					
Investments—non-controlled/non-affiliated, at fair value	\$ 1,579,256	\$ 1,643,584	\$ 1,607,731	\$ 1,576,247	\$ 1,593,901
Investments—non-controlled/affiliated, at fair value	28,562	30,410	30,286	30,771	32,697
Investments—controlled/affiliated, at fair value	264,493	274,212	275,035	266,165	262,678
Total investments, at fair value	1,872,311	1,948,206	1,913,052	1,873,183	1,889,276
Cash, cash equivalents and restricted cash	59,404	46,164	93,074	69,512	39,291
Receivable for investment sold/repaid	5,769	23,235	530	13,060	89,445
Deferred financing costs	3,386	3,256	3,066	2,882	4,044
Interest Receivable from non-controlled/non-affiliated Investments	11,388	13,486	11,011	15,284	12,875
Interest Receivable from non-controlled/affiliated Investments	578	581	611	611	615
Interest and Dividend Receivable from controlled/affiliated Investments	7,961	7,866	8,522	9,212	8,565
Prepaid expenses and other assets	1,369	1,376	1,484	2,214	1,842
<b>Total assets</b>	<b>\$ 1,962,166</b>	<b>\$ 2,044,170</b>	<b>\$ 2,031,350</b>	<b>\$ 1,985,958</b>	<b>\$ 2,045,953</b>
<b>Liabilities &amp; Net Assets</b>					
Secured borrowings	\$ 365,060	\$ 425,545	\$ 407,655	\$ 359,679	\$ 443,395
2015-IR Notes payable, net of unamortized debt issuance costs	446,659	446,721	446,783	446,844	446,906
Senior Notes, net of unamortized debt issuance costs	189,515	189,549	189,584	189,618	189,653
Payable for investments purchased	875	68	323	328	322
Interest and credit facility fees payable	2,463	3,045	2,467	2,727	3,198
Dividend payable	19,502	20,388	20,705	21,035	20,840
Base management and incentive fees payable	11,391	11,752	11,819	12,304	11,581
Administrative service fees payable	373	661	482	825	938
Other accrued expenses and liabilities	1,497	2,047	2,728	2,058	2,627
<b>Total liabilities</b>	<b>\$ 1,037,335</b>	<b>\$ 1,099,776</b>	<b>\$ 1,082,546</b>	<b>\$ 1,035,418</b>	<b>\$ 1,119,460</b>
<b>Net assets</b>	<b>\$ 924,831</b>	<b>\$ 944,394</b>	<b>\$ 948,804</b>	<b>\$ 950,540</b>	<b>\$ 926,493</b>
<b>Total liabilities &amp; net assets</b>	<b>\$ 1,962,166</b>	<b>\$ 2,044,170</b>	<b>\$ 2,031,350</b>	<b>\$ 1,985,958</b>	<b>\$ 2,045,953</b>
<b>Net Asset Value Per Common Share</b>	<b>\$16.14</b>	<b>\$16.65</b>	<b>\$16.91</b>	<b>\$17.11</b>	<b>\$16.81</b>

# Overview of Investment Funds

Key Statistics - Credit Fund	
Total Investments and Commitments (\$mm)	\$958
Unfunded Commitments (\$mm)	\$46
Total Investments at Fair Value (\$mm)	\$912
Yield of Debt Investments (%) <sup>(1)</sup>	7.1%
Number of Investments	42
First Lien Exposure (%)	100%
Floating / Fixed (%) <sup>(2)</sup>	100.0% / 0.0%
Dividend Yield to CSL	10%



Key Statistics - Credit Fund II	
Total Investments and Commitments (\$mm)	\$237
Total Investments at Fair Value (\$mm)	\$237
Yield of Debt Investments (%) <sup>(1)</sup>	8.2%
Number of Investments	34
First Lien Exposure (%)	89%
Floating / Fixed (%) <sup>(2)</sup>	97.8% / 2.2%
Dividend Yield to CSL	13%



<sup>(1)</sup> 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. <sup>(2)</sup> % of fair value of first and second lien debt.

# Net Asset Value Per Share Bridge



*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 June 30, 2022, three borrowers were on non-accrual status, representing 4.0% of total investments at fair value and 4.4% at amortized cost.

Portfolio Risk Ratings					
<i>(Dollar amounts in millions)</i>					
Internal Risk Rating	March 31, 2022		June 30, 2022		
	Fair Value	% of Fair Value	Fair Value	% of Fair Value	
1	\$ 16.9	1.1%	\$ 60.1	3.9%	
2	1,152.0	75.4%	1,124.5	72.7%	
3	290.3	19.0%	288.5	18.6%	
4	28.0	1.8%	30.0	1.9%	
5	41.1	2.7%	45.0	2.9%	
<b>Total</b>	<b>\$ 1,528.3</b>	<b>100.0%</b>	<b>\$ 1,548.0</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

- As of June 30, 2022, total debt outstanding was \$1,080 with a weighted average effective interest rate of 3.32% for the second quarter. This compared to total debt outstanding of \$996 and a weighted average effective interest rate of 2.88% in the prior quarter.

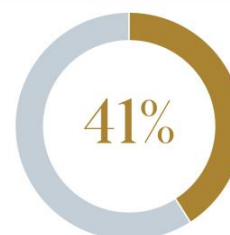
### Overview of Balance Sheet Financing Facilities

	Size	Original Tenor / Maturity Date	Pricing
Credit Facility <sup>(1)</sup>	\$688 million	5 years (4 year revolving); maturity date 5/25/27	SOFRA+1.875% <sup>(2)</sup> / 37.5 bps unused fee
2015-IR Notes <sup>(1) (3)</sup>	\$449 million	10/15/2031	3.14% <sup>(4)</sup>
2019 Senior Unsecured Notes	\$115 million	12/31/2024	4.75% Fixed
2020 Senior Unsecured Notes	\$75 million	12/31/2024	4.50% Fixed

### % of Committed Balance Sheet Leverage Utilized



### % of Utilized Balance Sheet Leverage Mark-To-Market



### Cumulative Convertible Preferred Stock

Price	Shares Outstanding	Dividend	Convertible Feature
\$25 per share / \$50 million total	2,000,000	7.0% Cash or 9.0% PIK	Convertible at the option of the holder at the Liquidation Preference divided by \$9.40

(1) Size represents maximum principal amount of the facility and is subject to availability under the facility, which is based on certain advance rates multiplied by the value of certain portfolio investments of the Company (subject to certain concentration limitations) and may be net of certain other indebtedness that the Company may incur in accordance with the terms of the facility. (2) Interest rates are also subject to a credit spread adjustment. (3) Carlyle Direct Lending CLO 2015-1R LLC, the issuer, is a wholly-owned and consolidated subsidiary of the Company. (4) Weighted average interest rate, including amortization of debt issuance costs on the 2015-1R Notes for the quarter ended June 30, 2022.

