

CARLYLE

Carlyle Secured Lending, Inc.
Quarterly Earnings Presentation

June 30, 2023

Disclaimer and Forward-Looking Statement

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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.

CSL is managed by Carlyle Global Credit Investment Management L.L.C. (the “Investment Adviser”), an SEC-registered investment adviser and a wholly owned subsidiary of The Carlyle Group Inc. (together with its affiliates, “Carlyle”).

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Q2 2023 Quarterly Highlights

Second Quarter Results

- **Net investment income per share was \$0.52 per common share**, up \$0.02 compared to our IQ23 core earnings due primarily to the continued rise in benchmark interest rates
- **NAV per share was \$16.73**, down 2.1% compared to our IQ23 NAV of \$17.09 per share
- The change in NAV in 2Q23 was primarily driven by net unrealized losses from our watchlist names offset by NII generated in excess of our 2Q23 dividend
- **Declared a \$0.37 base dividend plus a \$0.07 supplemental for 3Q23**, equating to an annualized dividend yield of 10.5% on our 2Q23 NAV

Portfolio & Investment Activity

- 2Q23 portfolio included **total commitments of \$2.2 billion** across 130 portfolio companies
- **New investment fundings during the quarter were \$51.0 million** with a weighted average yield of 12.4%
- **Total repayments and sales during the quarter were \$107.5 million** with a weighted average yield of 11.5%
- Non-accrual investments in 2Q23 decreased to 3.2% and 1.8% of the total portfolio based on amortized cost and fair value, respectively, aided by closing the restructuring of Bayside OPCP (f.k.a. PPT Management Holdings)
- The annualized dividend yield on our Investment Funds was 12.2% in 2Q23

Liquidity & Capital Activity

- **Paid the 2Q23 base dividend of \$0.37 plus a supplemental dividend of \$0.07 per share**
- **Completed a \$57 million upsize** on our credit facility bringing total commitments to \$745 million
- **Net financial leverage decreased to 1.11x**, comfortably within our target range
- **Total liquidity at 2Q23 was \$396.9 million** in cash and undrawn debt capacity

Quarterly Operating Results Detail

<i>(Dollar amounts in thousands, except per share data)</i>	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
SUMMARY INCOME STATEMENT					
Total investment income	\$ 44,568	\$ 59,143	\$ 56,036	\$ 58,375	\$ 60,065
Total expenses ⁽¹⁾	(23,573)	(28,865)	(31,411)	(32,680)	(33,765)
Net Investment Income⁽²⁾	\$ 20,995	\$ 30,278	\$ 24,625	\$ 25,695	\$ 26,300
Net realized and change in unrealized gains (losses)	(17,205)	6,677	(13,041)	1,417	(22,462)
Net Income (Loss)⁽²⁾	\$ 3,790	\$ 36,955	\$ 11,584	\$ 27,112	\$ 3,838
Weighted average shares of common stock outstanding	52,421	51,863	51,310	50,887	50,795
Net Investment Income per Share⁽²⁾	\$ 0.40	\$ 0.58	\$ 0.48	\$ 0.50	\$ 0.52
Net Income (Loss) per Share⁽²⁾	\$ 0.07	\$ 0.71	\$ 0.23	\$ 0.53	\$ 0.08
SUMMARY BALANCE SHEET					
Total investments, at fair value	\$ 1,889,276	\$ 1,948,957	\$ 1,979,877	\$ 1,973,565	\$ 1,896,420
Cash, cash equivalents and restricted cash	39,291	68,644	30,506	42,873	54,150
Other assets	117,386	36,431	31,314	38,969	32,027
Total Assets	\$ 2,045,953	\$ 2,054,032	\$ 2,041,697	\$ 2,055,407	\$ 1,982,597
Debt and secured borrowings ⁽³⁾	1,079,954	1,060,615	1,077,192	1,092,707	1,037,185
Accrued expenses and liabilities	39,506	57,766	47,082	44,507	45,731
Preferred stock	50,000	50,000	50,000	50,000	50,000
Total Liabilities and Preferred Stock	\$ 1,169,460	\$ 1,168,381	\$ 1,174,274	\$ 1,187,214	\$ 1,132,916
Net Assets	\$ 926,493	\$ 935,651	\$ 917,423	\$ 918,193	\$ 899,681
Preferred stock	(50,000)	(50,000)	(50,000)	(50,000)	(50,000)
Net Assets	\$ 876,493	\$ 885,651	\$ 867,423	\$ 868,193	\$ 849,681
Common shares outstanding at end of period	52,148	51,617	51,060	50,795	50,795
Net Asset Value per Common Share	\$ 16.81	\$ 17.16	\$ 16.99	\$ 17.09	\$ 16.73
LEVERAGE					
Net Financial Leverage⁽⁴⁾	1.05x	1.09x	1.16x	1.16x	1.11x
Statutory Debt to Equity⁽⁵⁾	1.29x	1.26x	1.30x	1.32x	1.28x

Please refer to the Company's Form 10-Q for more information.

(1) Includes the preferred stock dividend. (2) Presented net of the preferred stock dividend for the period. (3) Includes deferred financing costs. (4) Reflects cumulative convertible preferred securities as equity, net of excess cash held at period end, which was \$34.5 million on June 30, 2023. (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)</i>	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
NEW INVESTMENT FUNDINGS BY ASSET TYPE ⁽¹⁾					
First lien debt	\$ 198,625	\$ 267,262	\$ 126,400	\$ 53,164	\$ 44,511
Second lien debt	430	285	318	325	4,825
Equity ⁽²⁾	1,287	14,623	1,868	2,361	1,630
Total	\$ 200,342	\$ 282,170	\$ 128,586	\$ 55,850	\$ 50,966
Weighted Average Yield at Amortized Cost	8.3%	10.0%	11.8%	12.7%	12.4%
SALES & REPAYMENTS BY ASSET TYPE ⁽¹⁾					
First lien debt	\$ (156,301)	\$ (180,937)	\$ (87,352)	\$ (68,505)	\$ (106,038)
Second lien debt	(5,000)	(31,500)	—	(6,954)	—
Equity ⁽²⁾	(1,031)	—	(60)	(829)	(1,495)
Total	\$ (162,332)	\$ (212,437)	\$ (87,412)	\$ (76,288)	\$ (107,533)
Weighted Average Yield at Amortized Cost	7.9%	8.8%	10.1%	10.1%	11.5%
Net Investment Activity	\$ 38,010	\$ 69,733	\$ 41,174	\$ (20,438)	\$ (56,567)
TOTAL INVESTMENT PORTFOLIO BY ASSET TYPE ⁽³⁾⁽⁴⁾					
First lien debt	66.5%	68.2%	68.6%	68.5%	67.1%
Second lien debt	15.4%	13.5%	13.3%	13.1%	14.0%
Equity	4.2%	4.7%	4.8%	5.2%	5.4%
Investment funds	13.9%	13.6%	13.3%	13.2%	13.5%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Weighted Average Yield on Debt Investments at Amortized Cost⁽⁵⁾	8.8 %	10.4 %	11.7 %	12.0 %	12.6%
Weighted Average Yield on Debt and Income Producing Investments at Amortized Cost⁽⁵⁾	9.3 %	10.6 %	11.8 %	12.1 %	12.6%

Please refer to the Company's Form 10-Q for more information. No assurance is given that the Company will continue to achieve comparable results.

(1) Excludes activity related to the Investment Funds. (2) Based on cost/proceeds of equity activity. (3) At quarter end. (4) As a percentage of fair value. (5) Weighted average yields exclude investments placed on non-accrual status. Weighted average yields of income producing investments include Credit Fund and Credit Fund II, as well as income producing equity investments.

Portfolio Highlights

Total invested commitments on debt (\$mm) ⁽¹⁾	\$1,908
Total unfunded commitments on debt (\$mm)	\$150
Total investments at fair value (\$mm)	\$1,896
Weighted Average Yield on Debt and Income Producing Investments at Amortized Cost ⁽²⁾	12.6%
Number of investments	174
Number of portfolio companies	130
Average exposure by portfolio company	0.8%

Floating Rate
99%

Senior Secured Exposure⁽³⁾
94%

Company EBITDA⁽⁴⁾
(Median)
\$72mm

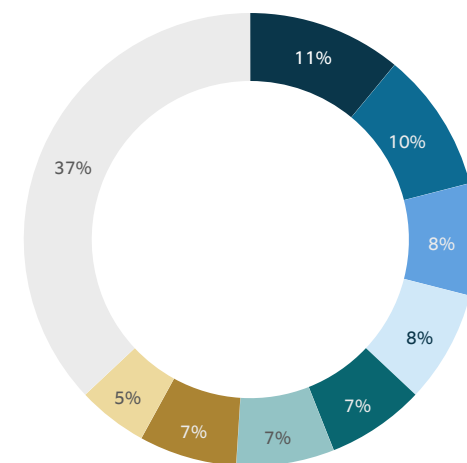
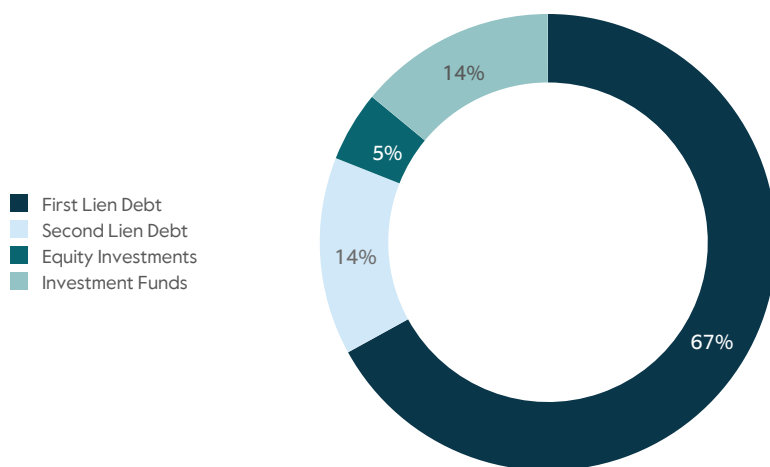
Sponsored
94%

Key Statistics

Asset Mix⁽⁵⁾

Portfolio

Industry Exposure⁽³⁾⁽⁵⁾



(1) Includes investments in Credit Fund and Credit Fund II. (2) Weighted average yields of income producing investments include Credit Fund and Credit Fund II, as well as income producing equity investments. Weighted average yields exclude investments placed on non-accrual status. (3) Represents CSL's exposure to the respective underlying portfolio companies, including CSL's proportionate share of the portfolio companies held in the Investment Funds. (4) Excludes equity positions, loans on non-accrual, unfunded commitments, and certain asset-backed, asset-based, and recurring revenue loans. (5) As a percentage of fair value.

Overview of Investment Funds

- Weighted average annualized dividend yield from Investment Funds was 12.2% for the quarter

Key Statistics – Credit Fund

CSL Investment at cost (\$mm)	\$193
CSL ownership	50.0 %
Yield of debt investments at cost ⁽¹⁾	10.9 %
Leverage	1.6x
Effective cost of debt	SOFR +2.70%
Annualized dividend yield to CSL	11.4 %

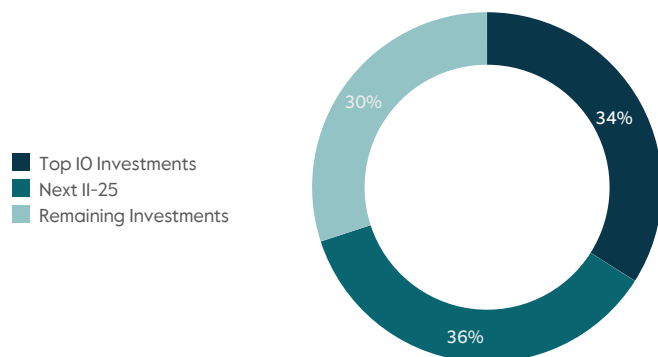
Key Statistics – Credit Fund II

CSL Investment at cost (\$mm)	\$78
CSL ownership	84.1 %
Yield of debt investments at cost ⁽¹⁾	11.8 %
Leverage	2.0x
Effective cost of debt	SOFR + 2.88%
Annualized dividend yield to CSL	14.2 %

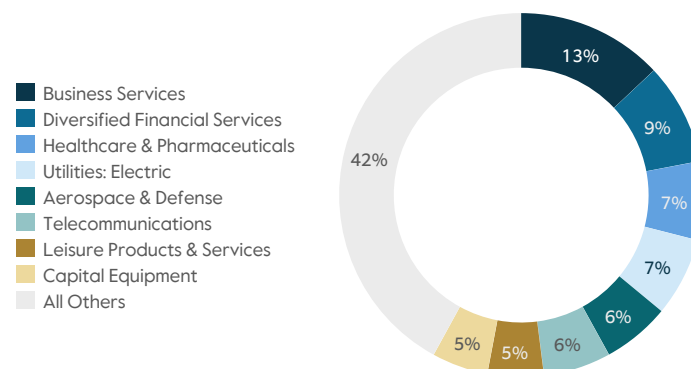
Combined Investment Funds Portfolio

Portfolio Fair Value	Asset Yield	Floating Rate	First Lien	% of CSL Portfolio
\$1,026	11.1%	99.5%	97.6%	13.5%

Diversification by Borrower



Diversification by Industry



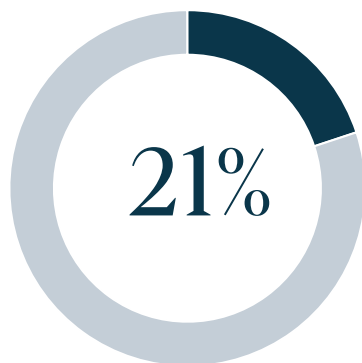
⁽¹⁾ Weighted average yields at cost of the debt investments include the effect of accretion of discounts and amortization of premiums and are based on interest rates as of period end. Weighted average yields exclude investments placed on non-accrual status. Actual yields earned over the life of each investment could differ materially from the yields presented above.

Funding and Capital Management Overview

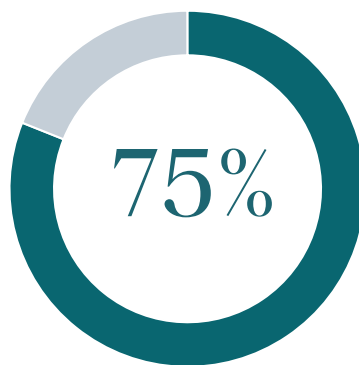
Overview of Balance Sheet Financing Facilities

	Commitment	Outstanding	Maturity Date	Pricing ⁽¹⁾
Credit facility	\$745	\$400	05/25/2027	SOFR + 1.88%
2015-IR notes	\$449	\$449	10/15/2031	SOFR + 2.00% ⁽²⁾⁽³⁾
2019 senior notes	\$115	\$115	12/31/2024	4.75%
2020 senior notes	\$75	\$75	12/31/2024	4.50%
Total / Weighted Average⁽³⁾	\$1,384	\$1,039	5.4 years	6.60%

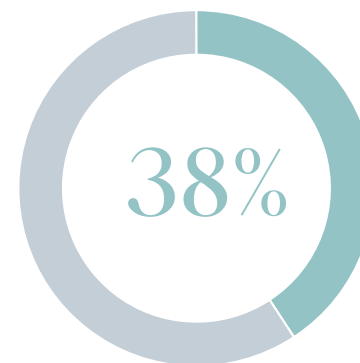
% of Utilized Balance Sheet
Leverage Fixed



% of Committed Balance Sheet
Leverage Utilized



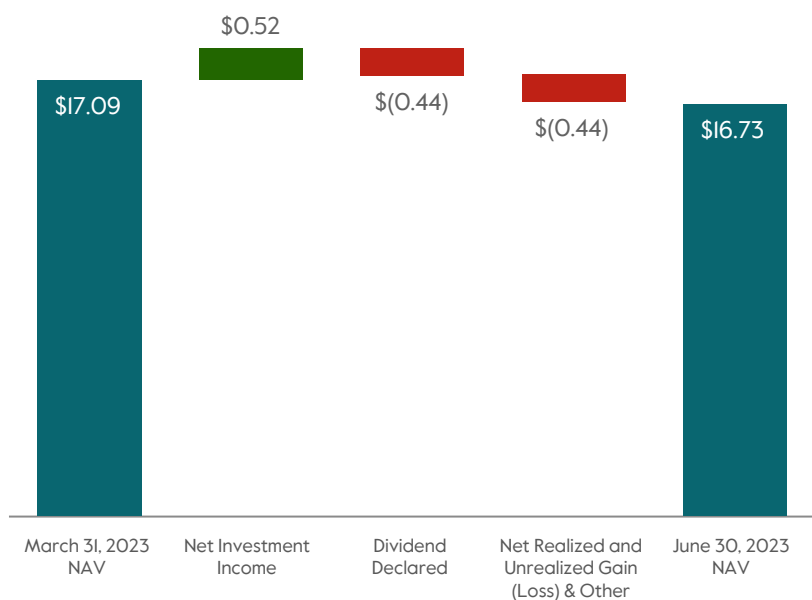
% of Utilized Balance Sheet
Leverage Mark-To-Market



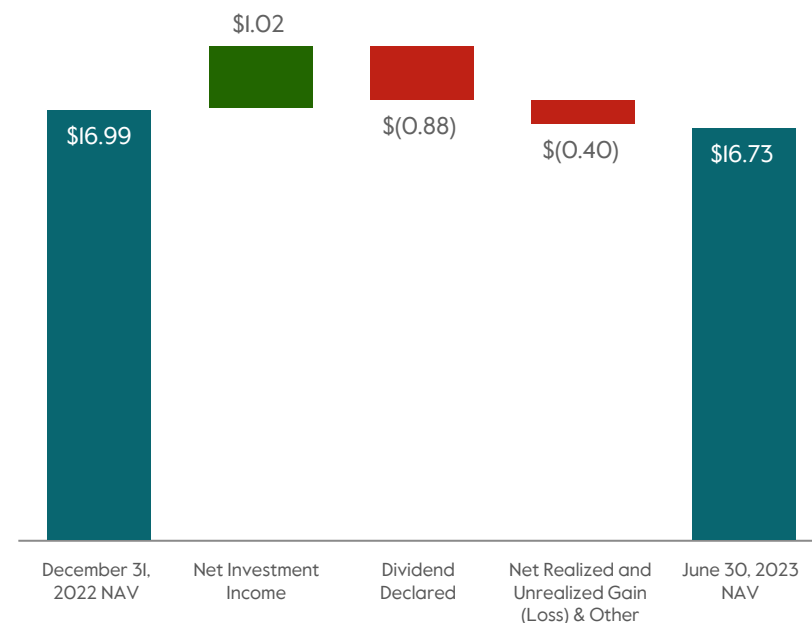
(1) SOFR borrowings are subject to an additional spread adjustment (2) Represents the weighted average interest rate for the 2015-IR Notes over the various tranches of issued notes, excluding a \$25 million note that has a fixed interest rate of 4.56%. (3) On June 30, 2023, the 2015-IR Notes were amended and transitioned from LIBOR to SOFR, effective for the subsequent interest accrual period. (3) Weighted average maturity and pricing amounts are calculated based on amount outstanding.

Net Asset Value Per Share Bridge

Q2 2023



YTD Q2 2023



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 realized and unrealized gain (loss) 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, 2023, three borrowers were on non-accrual status, representing 1.8% of total investments at fair value and 3.2% at amortized cost.

<i>(Dollar amounts in millions)</i>					
Internal Risk Rating	March 31, 2023			June 30, 2023	
	Fair Value	% of Fair Value	Fair Value	% of Fair Value	
1	\$ 28.7	1.8%	\$ 28.6	1.9%	
2	1,305.2	81.0%	1,248.0	81.1%	
3	207.4	12.9%	226.9	14.7%	
4	68.9	4.3%	34.7	2.3%	
5	—	—%	—	—%	
Total	\$ 1,610.2	100.0%	\$ 1,538.2	100.0%	

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 basis 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.

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Appendix

Quarterly Balance Sheet Detail

<i>(Dollar amounts in thousands, except per share data)</i>	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
ASSETS					
Investments—non-controlled/non-affiliated, at fair value	\$ 1,593,901	\$ 1,642,494	\$ 1,671,488	\$ 1,661,414	\$ 1,588,732
Investments—non-controlled/affiliated, at fair value	32,697	41,863	45,367	50,996	51,668
Investments—controlled/affiliated, at fair value	262,678	264,600	263,022	261,155	256,020
Total Investments, at Fair Value	1,889,276	1,948,957	1,979,877	1,973,565	1,896,420
Cash, cash equivalents and restricted cash	39,291	68,644	30,506	42,873	54,150
Receivable for investments sold	89,445	4,884	1,528	6,908	1,396
Interest and dividend receivable	22,055	24,328	24,023	26,174	24,703
Prepaid expenses and other assets	5,886	7,219	5,763	5,887	5,928
Total Assets	\$2,045,953	\$2,054,032	\$2,041,697	\$2,055,407	\$1,982,597
LIABILITIES & NET ASSETS					
Debt and secured borrowings, net of unamortized debt issuance costs	\$ 1,079,954	\$ 1,060,615	\$ 1,077,192	\$ 1,092,707	\$ 1,037,185
Payable for investments purchased	322	13,872	287	—	—
Interest and credit facility fees payable	3,198	5,240	6,749	6,782	7,097
Dividend payable	20,840	20,625	22,446	22,321	22,320
Base management and incentive fees payable	11,581	13,748	12,681	12,729	12,804
Administrative service fees payable	938	1,409	1,711	1,221	1,439
Other accrued expenses and liabilities	2,627	2,872	3,208	1,454	2,071
Total Liabilities	\$1,119,460	\$1,118,381	\$1,124,274	\$1,137,214	\$1,082,916
Preferred Stock	50,000	50,000	50,000	50,000	50,000
Total Liabilities and Preferred Stock	\$1,169,460	\$1,168,381	\$1,174,274	\$1,187,214	\$1,132,916
Net Assets	\$876,493	\$885,651	\$867,423	\$868,193	\$849,681
Net Asset Value Per Common Share	\$ 16.81	\$ 17.16	\$ 16.99	\$ 17.09	\$ 16.73

Please refer to the Company's Form 10-Q for more information.

Quarterly Income Statement Detail

<i>(Dollar amounts in thousands, except per share data)</i>	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023
INVESTMENT INCOME					
Interest income ⁽¹⁾	35,410	48,645	47,021	49,136	50,870
Income from credit funds	7,524	7,524	8,276	8,276	8,276
Other income	1,634	2,974	739	963	919
Total Investment Income	\$ 44,568	\$ 59,143	\$ 56,036	\$ 58,375	\$ 60,065
EXPENSES					
Management fees	\$ 7,113	\$ 7,262	\$ 7,378	\$ 7,236	\$ 7,185
Incentive fees	4,458	6,451	5,277	5,472	5,593
Interest expense and credit facility fees	9,170	11,937	15,238	17,281	17,873
Other expenses	1,781	1,891	1,792	1,293	1,589
Excise tax expense	176	449	851	523	650
Net Expenses	\$ 22,698	\$ 27,990	\$ 30,536	\$ 31,805	\$ 32,890
Preferred stock dividend	875	875	875	875	875
Net Investment Income	\$ 20,995	\$ 30,278	\$ 24,625	\$ 25,695	\$ 26,300
Net realized and change in unrealized gains (losses)	(17,205)	6,677	(13,041)	1,417	(22,462)
Net Income (Loss)	\$ 3,790	\$ 36,955	\$ 11,584	\$ 27,112	\$ 3,838
Net Investment Income per Common Share	\$ 0.40	\$ 0.58	\$ 0.48	\$ 0.50	\$ 0.52
Net Income (Loss) per Common Share	\$ 0.07	\$ 0.71	\$ 0.23	\$ 0.53	\$ 0.08

Note: There can be no assurance that we will continue to earn income at this rate and our income may decline. If our income declines, we may reduce the dividend we pay and the yield you earn may decline. Refer to the consolidated financial statements of the Company's Form 10-Q for additional details.

(1) Inclusive of payment-in-kind interest income.