

CARLYLE

TCG BDC, Inc.  
Quarterly Earnings Presentation

JUNE 30, 2021

# Disclaimer and Forward-Looking Statement

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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.

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TCG BDC 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”).

This Presentation contains information about the Company and certain of its affiliates and includes the Company’s historical performance. You should not view information related to the past performance of the Company as indicative of the Company’s future results, the achievement of which is dependent on many factors, many of which are beyond the control of the Company and the Investment Adviser and cannot be assured. There can be no assurances that future dividends will match or exceed historical rates or will be paid at all. Further, an investment in the Company is discrete from, and does not represent an interest in, any other Carlyle entity. Nothing contained herein shall be relied upon as a promise or representation whether as to the past or future performance of the Company or any other Carlyle entity.

# TCG BDC Highlights

## TCG BDC OVERVIEW

- Middle-market lending oriented BDC externally managed by The Carlyle Group <sup>(1)</sup>
- Current market capitalization of \$715 million <sup>(2)</sup> (NASDAQ listed; ticker: CGBD)
- Consistent track record of delivering sustainable income to shareholders, with earnings well in excess of base dividend and upside provided by regular recurring supplemental dividends

## INVESTMENT STRATEGY

- Directly originate private credit investments with a focus on U.S. private equity finance
- Maintain appropriately diversified, defensively constructed portfolio of primarily senior secured debt instruments
- Utilize Carlyle's extensive platform resources to generate differentiated results for shareholders

## BENEFITS OF CARLYLE

- Founded in 1987, Carlyle is a leading global alternative asset manager with \$276bn of AUM
- Carlyle's Global Credit segment, with \$61 billion of AUM, has a 20-year track record of successful leveraged finance market investing
- Carlyle's broad capabilities, scaled capital base, and depth of expertise create sustainable competitive advantages across market environments

## DEFENSIVELY POSITIONED PORTFOLIO

- Well-diversified by issuer and industry: top 10 borrowers and top 3 industries are 19% and 28% of exposure, respectively
- Heavily concentrated in first lien loans, of which ~90% contain a financial covenant
- Approximately half the exposure of broader markets to cyclical industries

Source: The Carlyle Group. As of June 30, 2021 unless otherwise stated.

(1) TCG BDC is externally managed by the Investment Adviser, which is a wholly-owned subsidiary of The Carlyle Group. (2) As of August 2, 2021

# Q2 2021 Quarterly Results

## Second Quarter Results

- Net investment income was \$0.38 per common share, again comfortably covering the quarterly base dividend of \$0.32
- Strong credit performance resulted in net realized/unrealized gains of \$21 million, or \$0.39 per share
- NAV per common share increased 2.8% to \$16.14 per share at 2Q21, from \$15.70 at 1Q21
- Credit performance remains strong, with significant improvement in fundamentals of COVID impacted borrowers in 2Q21

## Portfolio & Investment Activity

- Total investments at fair value of \$1.9 billion at 2Q21, up slightly compared to 1Q21
- Robust environment resulted in new investment activity of \$213 million with a weighted average yield on debt investments of 8.0%
- Repayments of \$163 million and strategic sales of \$42 million, with a combined weighted average yield on debt investments of 7.2%
- Continued positive risk rating migration and no new non-accruals since 2Q20

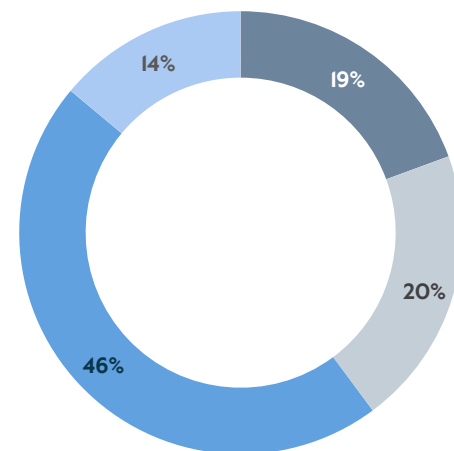
## Dividend & Capital Activity

- Paid 2Q21 base dividend of \$0.32 plus a supplemental dividend of \$0.04 per share, resulting in a LTM dividend yield of 9.0% based on quarter-end NAV
- Declared 3Q21 base dividend of \$0.32 plus a supplemental dividend of \$0.06 per share
- Share repurchases in 2Q21 totaled 0.6 million shares for \$8.2 million, contributing \$0.02 per share of accretion to net asset value
- 2Q21 net financial leverage of 1.03x, essentially flat to 1Q21 and at the lower end of 1.0x-1.4x target range

# Portfolio Highlights

|  |              |
|--|--------------|
| Total Investments and Commitments (\$mm)                   | \$2,049      |
| Unfunded Commitments <sup>(1)</sup> (\$mm)                 | \$176        |
| Total Investments at Fair Value (\$mm)                     | \$1,872      |
| Yield of Debt Investments at Cost <sup>(2)</sup> (%)       | 7.73%        |
| Yield of Debt Investments at Fair Value <sup>(2)</sup> (%) | 8.01%        |
| Number of Investments                                      | 161          |
| Number of Portfolio Companies                              | 118          |
| Floating / Fixed <sup>(3)</sup> (%)                        | 99.1% / 0.9% |

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



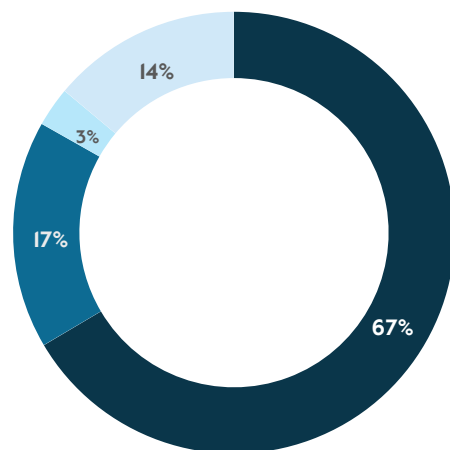
## KEY STATISTICS

## ASSET MIX

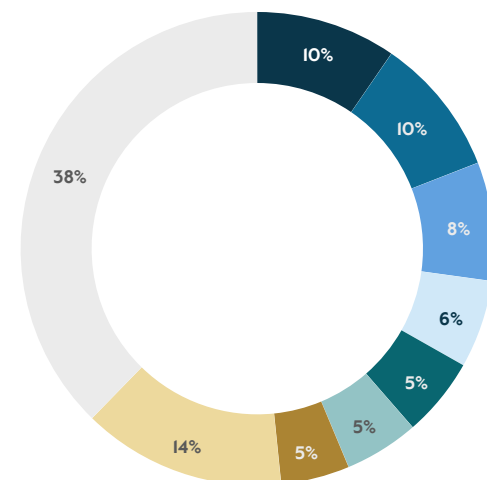
## DIVERSIFICATION BY BORROWER

## INDUSTRY

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



- Healthcare & Pharmaceuticals
- High Tech Industries
- Aerospace & Defense
- Software
- Business Services
- Beverage, Food & Tobacco
- Telecommunications
- 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 TCG BDC do not include TCG BDC'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 2020         | Q3 2020         | Q4 2020         | Q1 2021         | Q2 2021         |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>Key Metrics per Common Share</b>  |                 |                 |                 |                 |                 |
| Net Investment Income <sup>(1)</sup>   | \$ 0.38         | \$ 0.36         | \$ 0.38         | \$ 0.36         | \$ 0.38         |
| Net Realized & Unrealized Gains (Losses)   | 0.61            | 0.22            | 0.28            | 0.29            | 0.39            |
| Net Income (Loss)  | 0.99            | 0.58            | 0.66            | 0.65            | 0.77            |
| Dividends Paid   | 0.37            | 0.37            | 0.36            | 0.37            | 0.36            |
| Impact of Share Repurchases  | —               | —               | 0.08            | 0.03            | 0.02            |
| <b>Net Asset Value</b>   | <b>\$ 14.80</b> | <b>\$ 15.01</b> | <b>\$ 15.39</b> | <b>\$ 15.70</b> | <b>\$ 16.14</b> |
| <b>Common Shares Outstanding (in thousands)</b>                                    |                 |                 |                 |                 |                 |
| Weighted Average Shares Outstanding for the Period                                 | 56,309          | 56,309          | 55,961          | 55,039          | 54,538          |
| Shares Outstanding at End of Period  | 56,309          | 56,309          | 55,320          | 54,809          | 54,210          |
| <b>Portfolio Highlights</b>  |                 |                 |                 |                 |                 |
| Total Investments at Fair Value  | \$1,907,555     | \$1,948,173     | \$1,825,749     | \$1,841,634     | \$1,872,311     |
| Number of Portfolio Companies  | 111             | 114             | 117             | 119             | 118             |
| Average Size of Investment in Portfolio Company (Notional) <sup>(2)</sup>          | \$18,380        | \$18,380        | \$16,200        | \$16,389        | \$16,533        |
| Weighted Average all-in Yield on Debt Investments at Amortized Cost <sup>(3)</sup> | 7.34%           | 7.44%           | 7.57%           | 7.63%           | 7.73%           |
| Weighted Average all-in Yield on Debt Investments at Fair Value <sup>(3)</sup>     | 7.90%           | 7.94%           | 8.01%           | 7.99%           | 8.01%           |
| <b>Financial Position (at Quarter End)</b>   |                 |                 |                 |                 |                 |
| Net Assets   | \$883,304       | \$895,222       | \$901,363       | \$910,520       | \$924,831       |
| Debt   | 1,035,799       | 1,074,806       | 983,923         | 945,475         | 1,001,234       |
| <b>Net Financial Leverage <sup>(4)</sup></b>                                       | <b>1.17x</b>    | <b>1.20x</b>    | <b>1.06x</b>    | <b>1.04x</b>    | <b>1.03x</b>    |
| <b>Statutory Debt To Equity <sup>(5)</sup></b>                                     | <b>1.31x</b>    | <b>1.33x</b>    | <b>1.21x</b>    | <b>1.16x</b>    | <b>1.21x</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 \$50.3 million on June 30, 2021. (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 2020            | Q3 2020          | Q4 2020                  | Q1 2021         | Q2 2021          |
|---|--------------------|------------------|--------------------------|-----------------|------------------|
| <b>Originations and Net Investment Activity</b>                 |                    |                  |                          |                 |                  |
| Investment Fundings   | \$ 63,080          | \$ 60,826        | \$ 256,675               | \$ 151,422      | \$ 215,426       |
| Unfunded Commitments, Net Change                                | 13,630             | 7,706            | 24,184                   | (356)           | 27,255           |
| Sales and Repayments  | (264,200)          | (36,441)         | (400,016) <sup>(3)</sup> | (149,050)       | (202,624)        |
| <b>Net Investment Activity</b>                                  | <b>\$(187,490)</b> | <b>\$ 32,091</b> | <b>\$(119,157)</b>       | <b>\$ 2,016</b> | <b>\$ 40,057</b> |
| <b>Originations by Asset Type <sup>(1)</sup></b>                |                    |                  |                          |                 |                  |
| First Lien Debt   | 98.6 %             | 99.4 %           | 82.3 %                   | 65.0 %          | 85.2%            |
| Second Lien Debt  | 0.6%               | —%               | 17.2%                    | 34.6%           | 5.8%             |
| Equity Investments  | 0.8%               | 0.6%             | 0.5%                     | 0.4%            | 9.0%             |
| <b>Total Investment Portfolio at Fair Value <sup>(2)</sup></b>  |                    |                  |                          |                 |                  |
| First Lien Debt   | 73.1%              | 73.1%            | 67.0%                    | 66.6%           | 66.5%            |
| Second Lien Debt  | 14.6%              | 14.8%            | 15.6%                    | 16.3%           | 16.7%            |
| Equity Investments  | 1.7%               | 1.7%             | 1.9%                     | 1.9%            | 2.9%             |
| Investment Funds  | 10.6%              | 10.5%            | 15.5%                    | 15.2%           | 13.9%            |

Please refer to the Company's Form IO-Q for the quarter ended June 30, 2021 ("Form IO-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) At quarter end. (3) Includes sales of \$247 million to Credit Fund II at its formation.

# Quarterly Operating Results Detail

| <i>(Dollar amounts in thousands)</i>                 | Q2 2020          | Q3 2020          | Q4 2020          | Q1 2021          | Q2 2021          |
|--|------------------|------------------|------------------|------------------|------------------|
| <b>Investment Income</b>                             |                  |                  |                  |                  |                  |
| Interest income                                      | \$ 35,026        | \$ 33,114        | \$ 32,242        | \$ 29,725        | \$ 30,443        |
| Payment-In-Kind interest income                      | 1,202            | 1,810            | 1,821            | 2,125            | 2,318            |
| Income from Credit Funds                             | 5,500            | 5,750            | 6,478            | 7,528            | 7,488            |
| Other income   | 3,547            | 2,110            | 2,973            | 1,470            | 2,407            |
| <b>Total investment income</b>                       | <b>\$ 45,275</b> | <b>\$ 42,784</b> | <b>\$ 43,514</b> | <b>\$ 40,848</b> | <b>\$ 42,656</b> |
| <b>Expenses</b>                                      |                  |                  |                  |                  |                  |
| Management fees <sup>(1)</sup>                       | \$ 7,065         | \$ 7,134         | \$ 7,063         | \$ 6,800         | \$ 6,991         |
| Incentive fees <sup>(2)</sup>                        | 4,667            | 4,322            | 4,480            | 4,257            | 4,420            |
| Interest expense and credit facility fees            | 10,231           | 8,019            | 8,562            | 7,494            | 7,560            |
| Other expenses                                       | 1,520            | 1,688            | 1,466            | 1,494            | 1,909            |
| Excise tax expense                                   | 100              | 387              | 34               | 124              | 139              |
| <b>Net expenses</b>                                  | <b>\$ 23,583</b> | <b>\$ 21,550</b> | <b>\$ 21,605</b> | <b>\$ 20,169</b> | <b>\$ 21,019</b> |
| <b>Net investment income</b>                         | <b>\$ 21,692</b> | <b>\$ 21,234</b> | <b>\$ 21,909</b> | <b>\$ 20,679</b> | <b>\$ 21,637</b> |
| Net realized and change in unrealized gains (losses) | 34,466           | 12,374           | 16,254           | 15,225           | 21,231           |
| <b>Net income (loss)</b>                             | <b>\$ 56,158</b> | <b>\$ 33,608</b> | <b>\$ 38,163</b> | <b>\$ 35,904</b> | <b>\$ 42,868</b> |

(1) Beginning October 1, 2017, the base management fee is calculated at an annual rate of 1.50% of the Company's gross assets, excluding cash and cash equivalents but including assets acquired through the use of leverage. In addition, on August 6, 2018, the Company's Board of Directors approved a one-third (0.50%) reduction in the 1.50% annual base management fee rate charged by the Investment Adviser on assets financed using leverage in excess of 1.0x debt to equity. Effective July 1, 2018, the reduced annual fee of 1.00% applies to the average value of the Company's gross assets as of the end of the two most recently completed calendar quarters that exceeds the product of (i) 200% and (ii) the average value of the Company's net asset value at the end of the two most recently completed calendar quarters.

(2) Effective October 1, 2017, the Investment Adviser agreed to charge 17.5% instead of 20% with respect to the entire calculation of the incentive fee.

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 included in Part I, Item I of the Company's Form 10-Q for additional details.



# Quarterly Balance Sheet Detail

(Dollar amounts in thousands, except per share data)

|   | Q2 2020             | Q3 2020             | Q4 2020             | Q1 2021             | Q2 2021             |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Assets</b>   |                     |                     |                     |                     |                     |
| Investments—non-controlled/non-affiliated, at fair value                | \$ 1,692,073        | \$ 1,737,044        | \$ 1,509,271        | \$ 1,528,400        | \$ 1,579,256        |
| Investments—non-controlled/affiliated, at fair value                    | —                   | —                   | 26,180              | 27,650              | 28,562              |
| Investments—controlled/affiliated, at fair value                        | 215,482             | 211,129             | 290,298             | 285,584             | 264,493             |
| Total investments, at fair value  | 1,907,555           | 1,948,173           | 1,825,749           | 1,841,634           | 1,872,311           |
| Cash, cash equivalents and restricted cash                              | 29,916              | 37,088              | 68,419              | 35,493              | 59,404              |
| Receivable for investment sold/repaid                                   | 53                  | 74                  | 4,313               | 1,192               | 5,769               |
| Deferred financing costs  | 3,749               | 3,651               | 3,633               | 3,502               | 3,386               |
| Interest Receivable from non-controlled/non-affiliated Investments      | 10,873              | 12,791              | 12,634              | 12,948              | 11,388              |
| Interest Receivable from non-controlled/affiliated Investments          | —                   | —                   | 569                 | 580                 | 578                 |
| Interest and Dividend Receivable from controlled/affiliated Investments | 5,589               | 5,754               | 6,480               | 7,925               | 7,961               |
| Prepaid expenses and other assets                                       | 899                 | 856                 | 816                 | 813                 | 1,369               |
| <b>Total assets</b>   | <b>\$ 1,958,634</b> | <b>\$ 2,008,387</b> | <b>\$ 1,922,613</b> | <b>\$ 1,904,087</b> | <b>\$ 1,962,166</b> |
| <b>Liabilities &amp; Net Assets</b>                                     |                     |                     |                     |                     |                     |
| Secured borrowings  | \$ 474,386          | \$ 513,332          | \$ 347,949          | \$ 309,397          | \$ 365,060          |
| 2015-IR Notes payable, net of unamortized debt issuance costs           | 446,413             | 446,474             | 446,536             | 446,598             | 446,659             |
| Senior Notes, net of unamortized debt issuance costs                    | 115,000             | 115,000             | 189,438             | 189,480             | 189,515             |
| Payable for investments purchased                                       | 61                  | —                   | 809                 | 12,818              | 875                 |
| Interest and credit facility fees payable                               | 4,532               | 3,405               | 2,439               | 2,427               | 2,463               |
| Dividend payable  | 21,379              | 20,830              | 19,892              | 20,280              | 19,502              |
| Base management and incentive fees payable                              | 11,572              | 11,473              | 11,549              | 11,047              | 11,391              |
| Administrative service fees payable                                     | 129                 | 85                  | 85                  | 202                 | 373                 |
| Other accrued expenses and liabilities                                  | 1,858               | 2,566               | 2,553               | 1,318               | 1,497               |
| <b>Total liabilities</b>  | <b>\$ 1,075,330</b> | <b>\$ 1,113,165</b> | <b>\$ 1,021,250</b> | <b>\$ 993,567</b>   | <b>\$ 1,037,335</b> |
| <b>Net assets</b>   | <b>\$ 883,304</b>   | <b>\$ 895,222</b>   | <b>\$ 901,363</b>   | <b>\$ 910,520</b>   | <b>\$ 924,831</b>   |
| <b>Total liabilities &amp; net assets</b>                               | <b>\$ 1,958,634</b> | <b>\$ 2,008,387</b> | <b>\$ 1,922,613</b> | <b>\$ 1,904,087</b> | <b>\$ 1,962,166</b> |
| <b>Net Asset Value Per Common Share</b>                                 | <b>\$14.80</b>      | <b>\$15.01</b>      | <b>\$15.39</b>      | <b>\$15.70</b>      | <b>\$16.14</b>      |

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

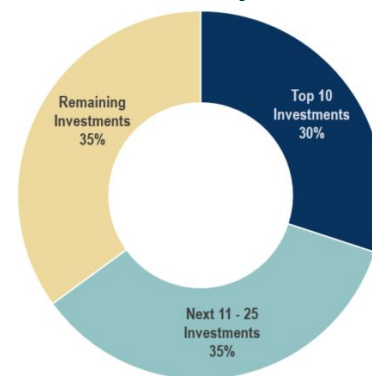
# Investment Funds Update (14% of TCG BDC Portfolio)

## Key Statistics - Credit Fund

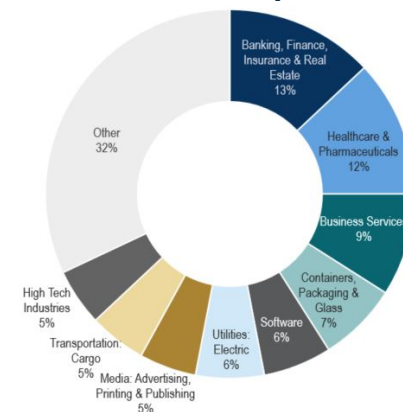
|  |              |
|--|--------------|
| Total Investments and Commitments (\$mm)     | \$1,198      |
| Unfunded Commitments (\$mm)                  | \$101        |
| Total Investments at Fair Value (\$mm)       | \$1,097      |
| Yield of Debt Investments (%) <sup>(1)</sup> | 6.1%         |
| Number of Investments                        | 57           |
| First Lien Exposure (%)                      | 98%          |
| Floating / Fixed (%) <sup>(2)</sup>          | 97.6% / 2.4% |
| Dividend Yield to TCG BDC                    | 10%          |

## Portfolio Composition - Credit Fund

### Diversification by Borrower



### Industry

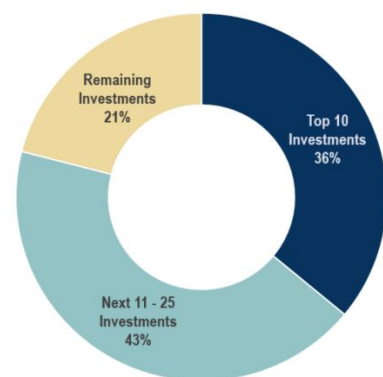


## Key Statistics - Credit Fund II

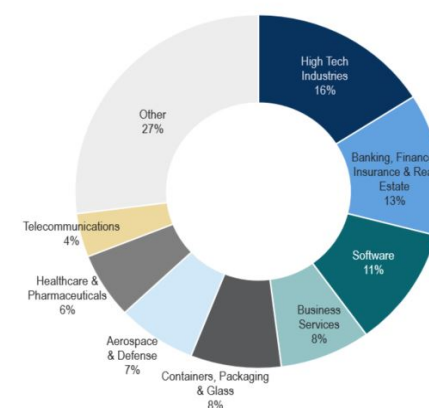
|  |              |
|--|--------------|
| Total Investments and Commitments (\$mm)     | \$245        |
| Unfunded Commitments (\$mm)                  | \$0          |
| Total Investments at Fair Value (\$mm)       | \$245        |
| Yield of Debt Investments (%) <sup>(1)</sup> | 7.4%         |
| Number of Investments                        | 40           |
| First Lien Exposure (%) <sup>(2)</sup>       | 88%          |
| Floating / Fixed (%) <sup>(3)</sup>          | 99.0% / 1.0% |
| Dividend Yield to TCG BDC                    | 13%          |

## Portfolio Composition - Credit Fund II

### Diversification by Borrower



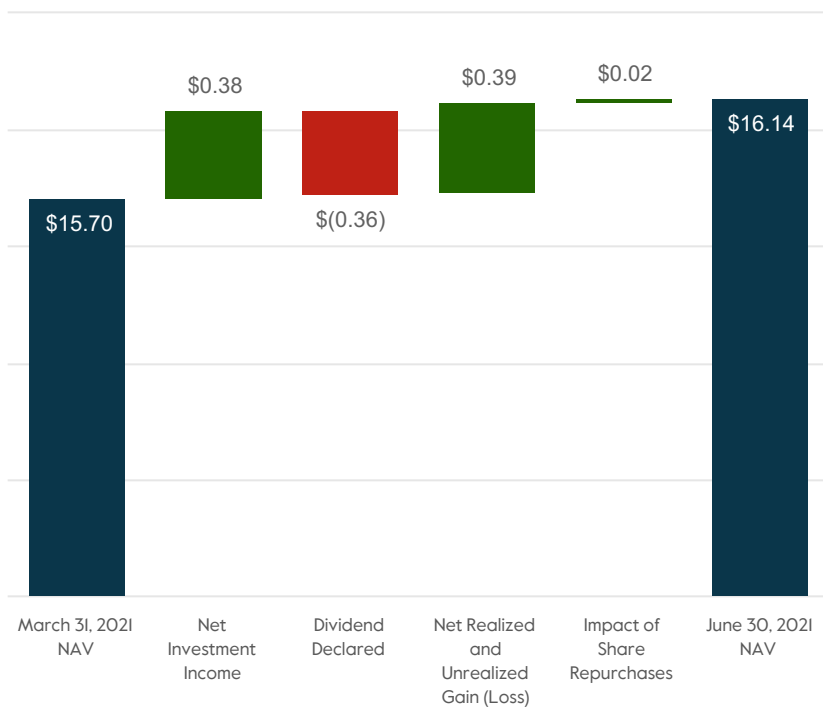
### Industry



(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. (3) % of fair value of first and second lien debt.

# Net Asset Value Per Share Bridge

## Q2 2021



## YTD Q2 2021



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, 2021, four borrowers were on non-accrual status, representing 3.3% of total investments at fair value and 5.3% at amortized cost.

| Portfolio Risk Ratings              |                   |                 |  |                   |                 |                   |                 |
|-------------------------------------|-------------------|-----------------|--|-------------------|-----------------|-------------------|-----------------|
| <i>(Dollar amounts in millions)</i> |                   |                 |  |                   |                 |                   |                 |
| Internal Risk Rating                | December 31, 2020 |                 |  | March 31, 2021    |                 | June 30, 2021     |                 |
|                                     | Fair Value        | % of Fair Value |  | Fair Value        | % of Fair Value | Fair Value        | % of Fair Value |
| 1                                   | \$ 19.1           | 1.3%            |  | \$ 19.1           | 1.3%            | \$ 6.0            | 0.4%            |
| 2                                   | 1,047.5           | 69.4%           |  | 1,097.9           | 71.9%           | 1,157.7           | 74.2%           |
| 3                                   | 361.1             | 23.9%           |  | 324.9             | 21.3%           | 333.7             | 21.4%           |
| 4                                   | 48.1              | 3.2%            |  | 49.6              | 3.2%            | 26.5              | 1.7%            |
| 5                                   | 32.8              | 2.2%            |  | 34.5              | 2.3%            | 35.2              | 2.3%            |
| <b>Total</b>                        | <b>\$ 1,508.6</b> | <b>100.0%</b>   |  | <b>\$ 1,526.0</b> | <b>100.0%</b>   | <b>\$ 1,559.1</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

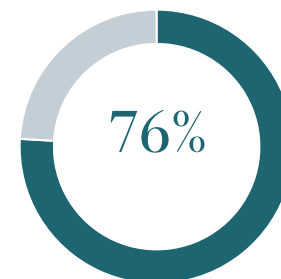
## Overview of Financing Facilities <sup>(1)</sup>

|   | Size          | Original Tenor / Maturity Date                       | Pricing                        |
|---|---------------|--|--------------------------------|
| <b>Credit Facility <sup>(2)</sup></b>                   | \$688 million | 5 years (4 year revolving); maturity date 10/28/25   | L+2.25% / 37.5 bps unused fee  |
| <b>2015-IR Notes <sup>(2) (4)</sup></b>                 | \$449 million | 10/15/2031   | 2.32% <sup>(3)</sup>           |
| <b>2019 Senior Unsecured Notes</b>                      | \$115 million | 12/31/2024   | 4.75% Fixed                    |
| <b>2020 Senior Unsecured Notes</b>                      | \$75 million  | 12/31/2024   | 4.50% Fixed                    |
| <b>Credit Fund Sub Facility <sup>(2)</sup></b>          | \$640 million | 6 years (3 years revolving); maturity date 5/22/2024 | L+2.25% / 50-75 bps unused fee |
| <b>Credit Fund 2019-2 Notes <sup>(9)</sup></b>          | \$256 million | 4/15/2029  | 3.65% <sup>(3)</sup>           |
| <b>Credit Fund Warehouse II Facility <sup>(5)</sup></b> | \$150 million | 3 years (2 years revolving); maturity date 8/16/2022 | L+1.15%                        |
| <b>Credit Fund II Sub Facility <sup>(6)</sup></b>       | \$158 million | 11/3/2030  | L+2.73% <sup>(7)</sup>         |

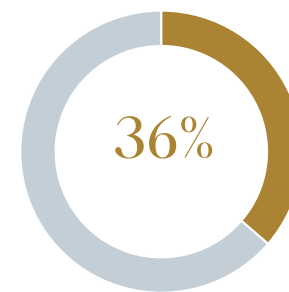
## Cumulative Convertible Preferred Stock <sup>(8)</sup>

| 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 \$9.49 |

## % of Committed Balance Sheet Leverage Utilized



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



(1) Refer to Notes 7 and 8 to the consolidated financial statements included in Part I, Item I of the Company's Form 10-Q for additional details. (2) 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 or Credit Fund (subject to certain concentration limitations) and may be net of certain other indebtedness that the Company, Credit Fund or Credit Fund II may incur in accordance with the terms of the facility. Middle Market Credit Fund SPV, LLC (the "Credit Fund Sub") is a wholly-owned subsidiary of Credit Fund and is consolidated in Credit Fund's consolidated financial statements. (3) Weighted average interest rate, including amortization of debt issuance costs on the 2015-IR Notes and 2019-2 Notes, respectively, for the quarter ended June 30, 2021. (4) Carlyle Direct Lending CLO 2015-IR LLC, the issuer, is a wholly-owned and consolidated subsidiary of the Company. (5) MMCF Warehouse II, LLC, is a wholly-owned and consolidated subsidiary of Credit Fund. Borrowings will bear interest at a rate of L+150 bps beginning August 2021. (6) Middle Market Credit Fund II SPV, LLC (the "Credit Fund II Sub") is a wholly-owned and consolidated subsidiary of Credit Fund II. (7) Pricing varies by class under the terms of the facility agreement. (8) Refer to Note 10 to the consolidated financial statements included in Part I, Item I of the Company's Form 10-Q for additional details. (9) MMCF CLO 2019-2, LLC, the issuer, is a wholly-owned and consolidated subsidiary of Credit Fund.