



SIXTH STREET SPECIALTY LENDING, INC

March 2021

DISCLAIMER AND FORWARD-LOOKING STATEMENT

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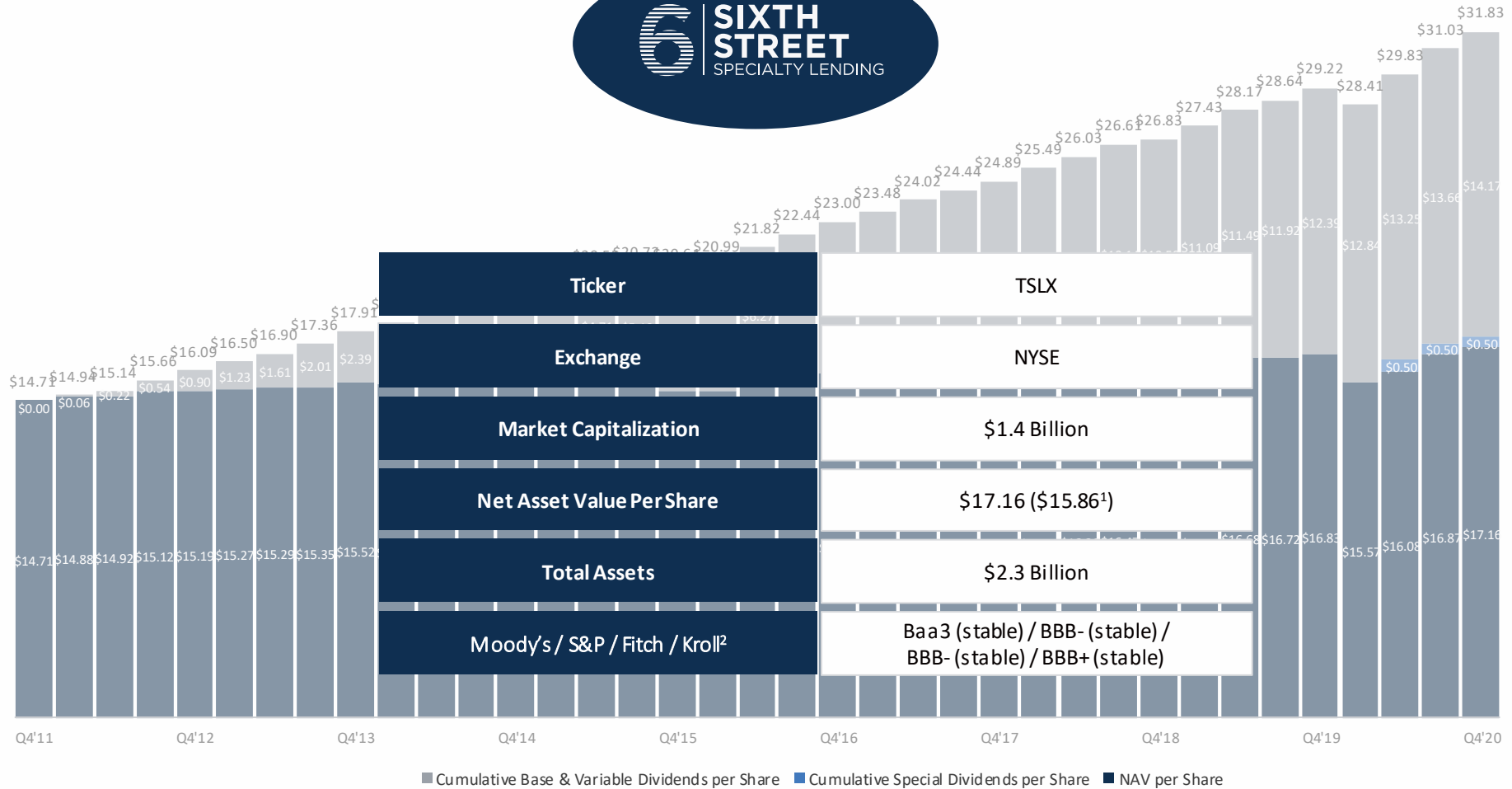
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Forward Looking Statements

This Presentation includes forward-looking statements about TSLX that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about us, our current and prospective portfolio investments, our investment returns, our future performance and financial condition including our future operating results, our industry, our beliefs, and our assumptions. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "would," "should," "targets," "projects," and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict, that could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Such statements are also subject to a number of uncertainties and factors outside TSLX's control. Such factors include, but are not limited to the risks, uncertainties and other factors we identify in the section entitled "Risk Factors" in filings we make with the Securities and Exchange Commission. Opinions expressed are current opinions as of the date of this Presentation. Should TSLX's estimates, projections and assumptions or these other uncertainties and factors materialize in ways that TSLX did not expect, actual results could differ materially from the forward-looking statements in this Presentation, including the possibility that investors may lose a material portion of the amounts invested. No representation or warranty, express or implied, is made as to the accuracy or completeness of the information contained in this Presentation, and nothing shall be relied upon as a promise or representation as to the performance of any investment. Investors are cautioned not to place undue reliance on such forward-looking statements and should rely on their own assessment of an investment.

OVERVIEW

SPECIALTY FINANCE COMPANY FOCUSED ON LENDING TO MIDDLE-MARKET COMPANIES



1. Reflects NAV per share pro forma for the variable supplemental dividend per share related to Q4 2020 earnings in addition to the special dividend of \$1.25/share declared in Q1 2021 and payable in Q2 2021

2. Moody's rating affirmed 2/25/2021; S&P rating affirmed on 2/10/2021; Fitch rating affirmed on 1/25/2021; Kroll affirmed 6/12/2020

Note: Market capitalization and financial data as of 12/31/2020

OUR COMPETITIVE ADVANTAGES



Leading Platform and Proprietary Deal Flow

- 31 dedicated professionals as of March 2021
- Leverage resources of Sixth Street
- 99% of investments are directly originated
- SEC exemptive order for co-investments

Disciplined Investment / Underwriting Process

- Focus on risk-adjusted returns, not absolute return
- Strong documentation with effective voting control on 85% of debt investments
- Robust and active asset management

Senior, Floating Portfolio w/ Strong Yields

- 70 companies with a weighted average total yield of 10.2% at amortized cost¹
- 95.6% first lien, 99.1% floating rate²
- 82% of debt investments have call protection
- Embedded inflation and reinvestment protection

Experienced Management Team

- Senior team members have over 240 years of collective experience as commercial dealmakers and risk managers
- Average gross unlevered IRR, weighted by capital invested, of approximately 19.2% on fully exited investments totaling \$4.9 billion of cash invested

ROE-Enhancing Opportunities

- Revised financial policy of 0.90x-1.25x debt-to-equity following the adoption of the SBCAA in October 2018; potential to drive higher ROEs
- Investment grade ratings from Moody's, S&P, Fitch and Kroll

1. Total yield on investments is calculated based on the interest rate and the accretion of original issue discount ("OID")

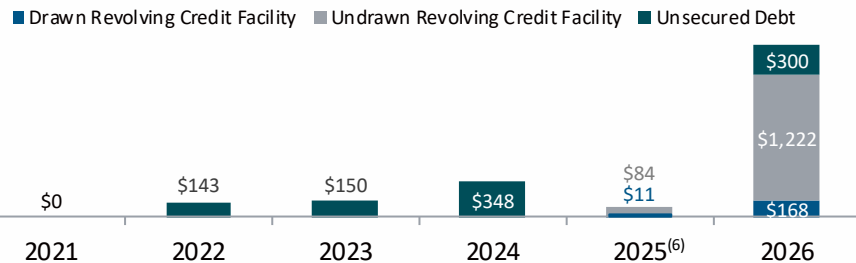
2. Includes fixed rate investments for which TSLX entered into an interest rate swap agreement to swap to a floating rate. Calculation includes income earning debt investments only

Note: As of 12/31/2020, unless otherwise noted

STRONG LIQUIDITY AND FUNDING PROFILE

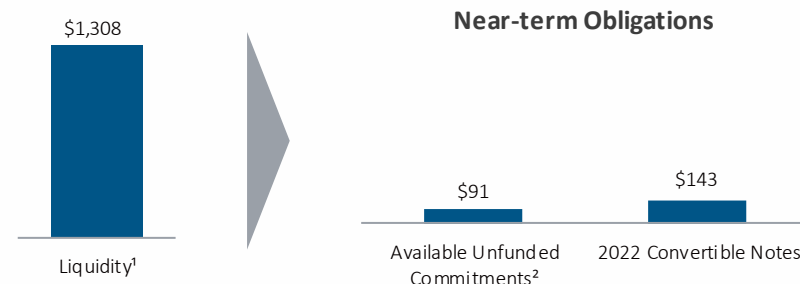
STAGGERED, LONG-TERM DEBT MATURITIES

As of December 31, 2020 / \$ Millions

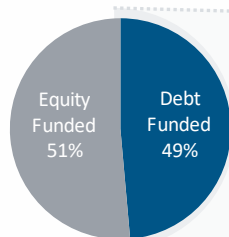


ROBUST LIQUIDITY VS. NEAR-TERM OBLIGATIONS

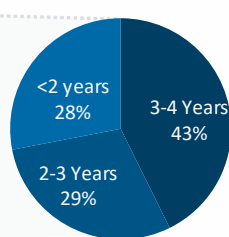
As of December 31, 2020 / \$ Millions



PORTFOLIO FUNDING PROFILE⁽³⁾

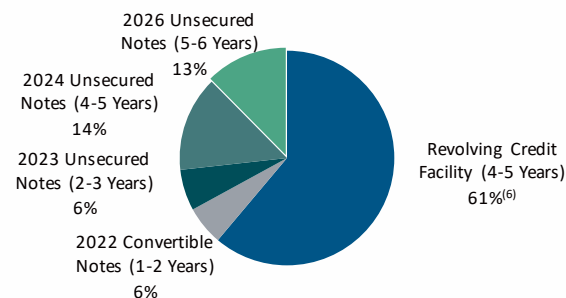


INVESTMENTS FUNDED WITH DEBT



Weighted average remaining life of investments funded by debt of ~2.5 years⁴

REMAINING DURATION OF DEBT



Weighted average remaining maturity of debt of ~4.5 years⁵

Well protected balance sheet and ability to reinvest in a wider spread environment

Note: the above data is as of 12/31/20 adjusted to reflect the \$300 million 2026 unsecured notes offering, of which the net proceeds were used to pay down a portion of the outstanding revolver borrowings, and the February 2021 amendment to the revolving credit facility, which upsized the facility by \$150 million to \$1.485 billion and extended the maturity date to February 2026 for \$1.390 billion of commitments

1. Represents total pro forma undrawn capacity on revolving credit facility and unrestricted cash

2. Commitments may be subject to limitations on borrowings set forth in the agreements between the Company and the applicable portfolio company. As a result, portfolio companies may not be eligible to borrow the full commitment amount on such date. Such ineligible amounts are excluded

3. Net of Deferred Financing Costs and Interest Rate Fair Value Hedging. Deferred Financing Costs total \$18.5M at 12/31/19, \$21.4M at 3/31/20, \$19.7M at 6/30/20, \$18.4M at 9/30/20 and \$17.2M at 12/31/20. Fair value hedge on interest rate swaps related to the 2024 notes total (\$1.7) M at 12/31/19, \$17.0M at 3/31/20, \$19.3M at 6/30/20, \$18.1M at 9/30/20 and \$16.8M at 12/31/20

4. Weighted by amortized cost of debt investments. Investments are financed by debt and permanent equity capital. This analysis assumes longer-dated investments are currently funded by permanent equity capital (51% of investments) and the remaining (shorter-dated) investments (49% of investments) are currently funded by debt financing. Investments for purposes of this analysis exclude unfunded commitments, and permanent equity capital is defined as 12/31/20 estimated net assets

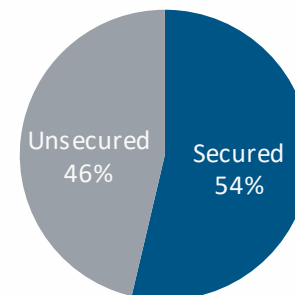
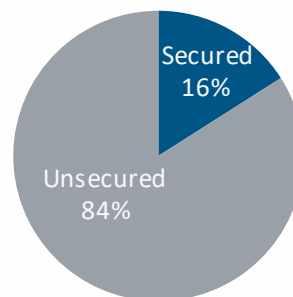
5. Weighted by gross commitment amount

6. Includes \$95 million of anticipated non-extending commitments with a maturity date of January 31, 2025

TSLX LIQUIDITY AND FUNDING PROFILE VS. BDC PEERS

| | TSLX* | Rated BDC Peers ¹ |
|--|-------|------------------------------|
| | | Median |
| Liquidity as % of Total Assets ² | 56% | 20% |
| Liquidity as a Multiple of Unfunded Commitments ³ | 14.4x | 3.8x |
| Regulatory Leverage (Net) | 0.95x | 0.95x |

% Unsecured / % Secured Debt Funding⁴



*Adjusted to reflect the \$300 million 2026 unsecured notes offering, of which the net proceeds were used to pay down a portion of the outstanding revolver borrowings, and the February 2021 amendment to the revolving credit facility, which upsized the facility by \$150 million to \$1.485 billion and extended the maturity date to February 2026 for \$1.390 billion of commitments

1. Rated BDC Peers include 18 publicly-traded BDCs that are rated by Moody's, S&P, Fitch, and/or Kroll

2. Calculated as (total undrawn commitments under revolving credit facility + unrestricted cash) / total assets

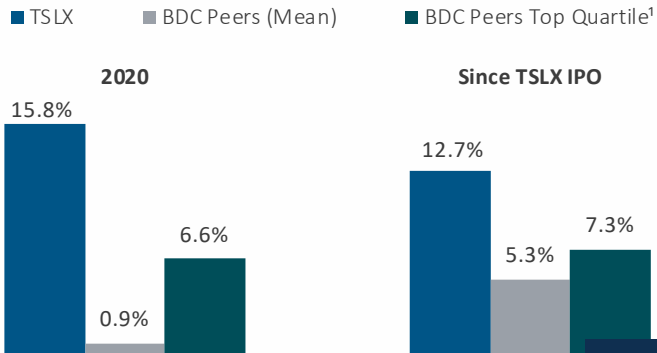
3. Calculated as (total undrawn commitments under revolving credit facility + unrestricted cash) / unfunded commitments. Since unfunded commitments may be subject to limitations on borrowings set forth in the agreements between the Company and the applicable portfolio company, when data is available, we use the lesser of i) eligible unfunded commitment to be drawn as of 12/31/20, or latest available and ii) total unfunded commitments

4. Based on debt outstanding as of 12/31/20, or latest available, pro forma for any unsecured debt issuances post quarter ended 12/31/20

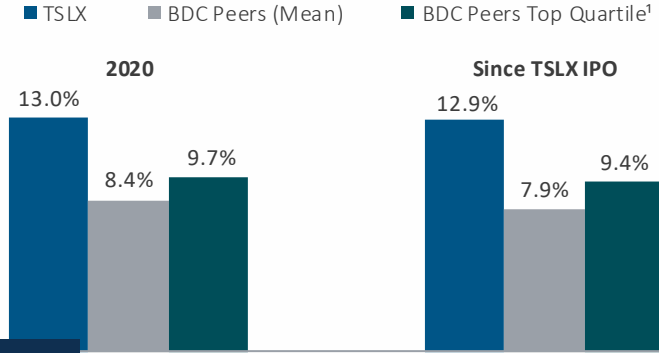
Source: SNL, Company filings / information. As of December 31, 2020, or latest available, for TSLX and BDC Peers

TRACK RECORD OF STRONG PERFORMANCE

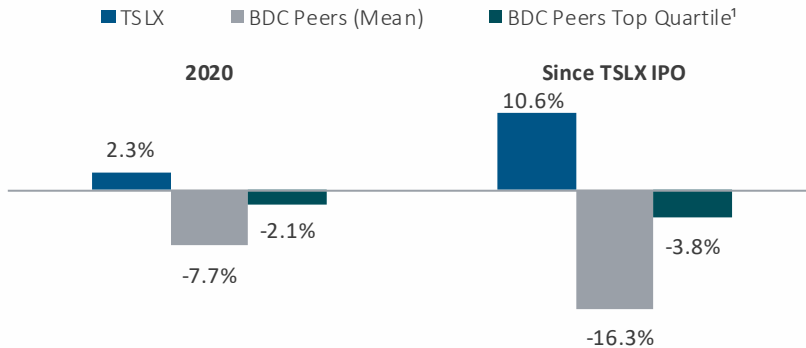
NI RETURN ON EQUITY²



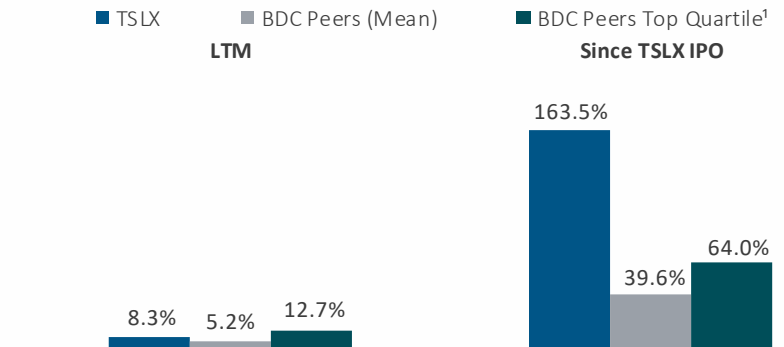
NII RETURN ON EQUITY²



NAV GROWTH PER SHARE³



TOTAL RETURNS (STOCK PRICE PLUS DIVIDENDS)⁴



1. Top quartile constituents for each metric and time period varies based on BDC peer set's performance rankings

2. Calculated as net investment income and net income per share over each time period, divided by beginning NAV per share; "Since TSLX IPO" figure is adjusted for annual basis

3. Calculated as the cumulative change in net asset value per share over each time period

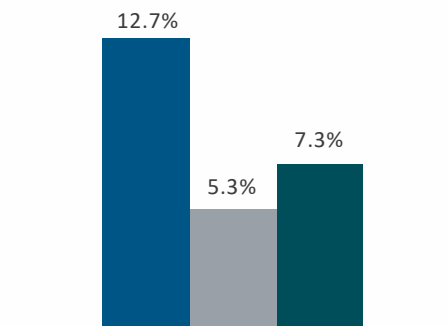
4. For "LTM" and "Since TSLX IPO", reflects change in market value per share plus dividends from 2/24/2020 through 2/24/2021 and 3/21/2014 and 2/24/2021, respectively; assumes dividend reinvestment
Note: BDC Peers consist of 19 externally managed BDCs in the S&P BDC Index with total assets greater than \$750 million as of 6/30/20 financials, with the addition of BKCC, MRCC, OCSI, GAIN and SUNS

Source: SNL Financial

INDUSTRY VS TSLX UNIT ECONOMICS

NI RETURN ON EQUITY

■ TSLX
■ BDC Peers (Mean)
■ BDC Peers Top Quartile
Since TSLX IPO



Unit Economics (since TSLX IPO)

| | <u>BDC Peers</u> | <u>TSLX</u> | |
|---|------------------|--------------|--------------------------------|
| Return on Assets: | | | |
| All-in Yield (on Assets) | 9.8% | 13.0% | <i>Higher return on assets</i> |
| Cost of funds ⁽¹⁾ | (4.6%) | (4.6%) | |
| Debt/Equity | 0.81x | 0.74x | <i>Lower leverage</i> |
| ROE (on Equity)* | 14.0% | 19.3% | |
| Management Fees ⁽²⁾ | (2.8%) | (2.6%) | <i>Lower structural fees</i> |
| Operating Expenses | (1.0%) | (1.3%) | |
| ROE Before Incentive Fee | 10.1% | 15.4% | |
| Incentive Fees ⁽²⁾ | (1.9%) | (2.7%) | |
| Management & Incentive Fee Waivers ⁽³⁾ | 0.8% | 0.0% | |
| Net Realized & Unrealized Gains (Losses) | (3.7%) | 0.0% | <i>Lower losses</i> |
| ROE on NI | 5.3% | 12.7% | |

*Calculated as All-in-Yield (on Assets) x (1 + Assumed Debt/Equity) – Cost of Funds x Assumed Debt/Equity

1. Cost of funds reflect the annualized interest expense over average debt outstanding for the 6.75-year period beginning 3/31/2014 (including deferred financing costs and amortization of upfront fees) and giving effect to the swap-adjusted interest rate on debt instruments

2. TSLX fee structure reflects management fees of 1.50% on average quarterly assets and incentive fees of 17.50% on pre-incentive fee income; industry fee structure for the purpose of this analysis reflects average BDC Peers management fees of ~1.50% and incentive fees of ~19.1% pre-incentive fee income

3. Reflects the impact of management & incentive fee waivers on ROEs

Source: SNL Financial

TSLX PRINCIPLES AND INVESTMENT STRATEGY

1 Differentiated Platform Expertise and Capabilities

- Source away from Wall Street
- Create our own transactions, pursue and use control

2 Disciplined Sector Approach

- Late cycle-minded sector selection
- Focus on resource-intensive situations that require originations and underwriting capabilities

3 Maintain a Low Volatility Portfolio

- Cover the downside
- Late cycle-minded capital structure selection

4 Focused Risk Management

- Avoid risks that are asymmetrical to the downside (credit and non-credit risk)
- Match-funded from duration and interest rate perspective

TSLX PRINCIPLES AND INVESTMENT STRATEGY

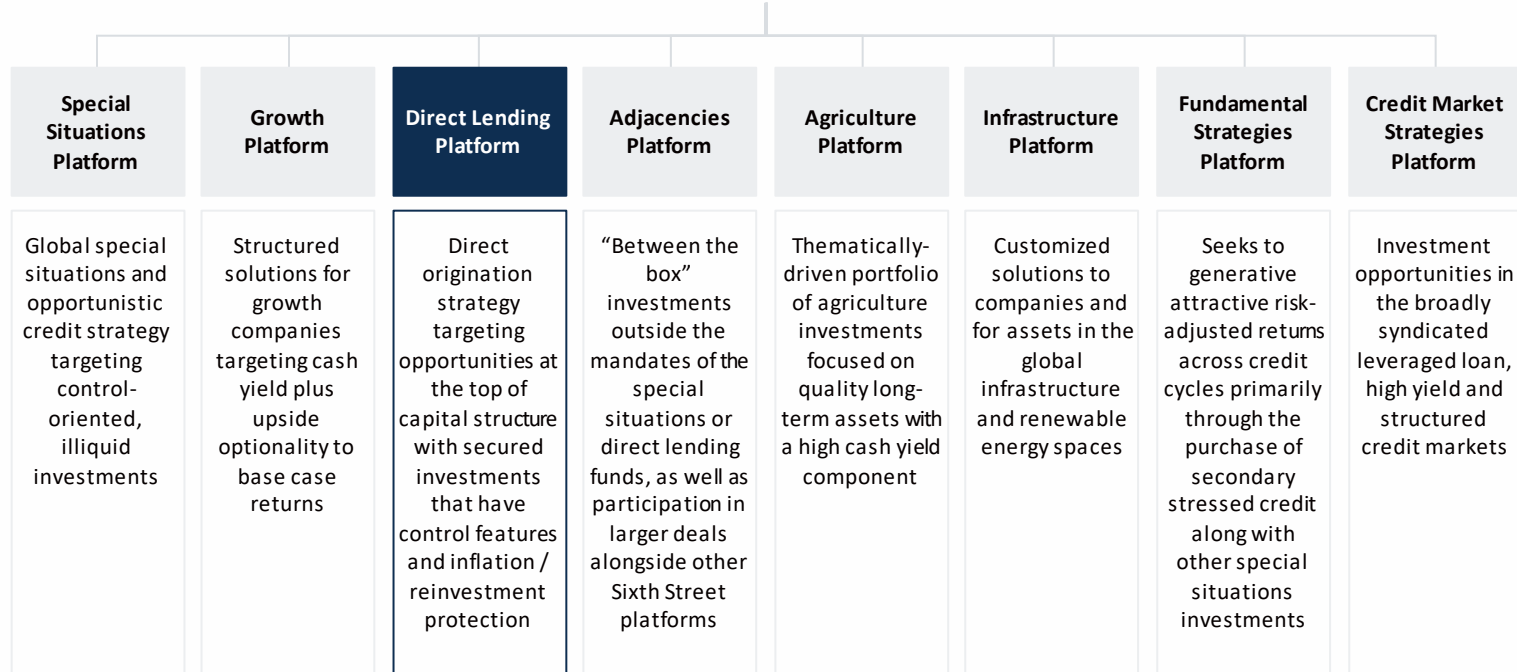


1.
Differentiated
Platform Expertise
and Capabilities

2.
Disciplined Sector
Approach

3.
Maintain a Low
Volatility Portfolio

4.
Focused Risk
Management



- TSLX sits within the Direct Lending Platform of Sixth Street, a global investment firm with over \$50 billion of AUM
- TSLX is the first-stop channel for directly originated, U.S. middle market credit opportunities within the Sixth Street platform

Note: Assets under management as of 9/30/20 plus additional capital commitments closed through January 2021

TSLX PRINCIPLES AND INVESTMENT STRATEGY

1.
Differentiated
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and Capabilities

2.
Disciplined Sector
Approach

3.
Maintain a Low
Volatility Portfolio

4.
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ORIGINATIONS AND FUNDING ACTIVITIES

(\$ in Billions)

*Origination sizes:
Up to \$500+ million*

\$15.8

(\$8.6)

*Target investment holds:
\$30 – \$100 million*

\$7.2

(\$4.9)

*Target position size:
\$20 – \$105 million*

\$2.3

Originations⁽¹⁾

Syndications and
unfunded commitments⁽¹⁾

Fundings⁽¹⁾

Realizations, pay-downs
and other⁽²⁾

Portfolio balance

TSLX has the ability to originate large transactions and syndicate to its desired hold size

1. At par value; since inception through 12/31/2020.

2. Pay-downs include amortization of term loans and revolver pay-downs; other reflects the difference between the basis of fundings (par value) and portfolio balance (fair value as of 12/31/2020).

Note: as of 12/31/2020

TSLX PRINCIPLES AND INVESTMENT STRATEGY

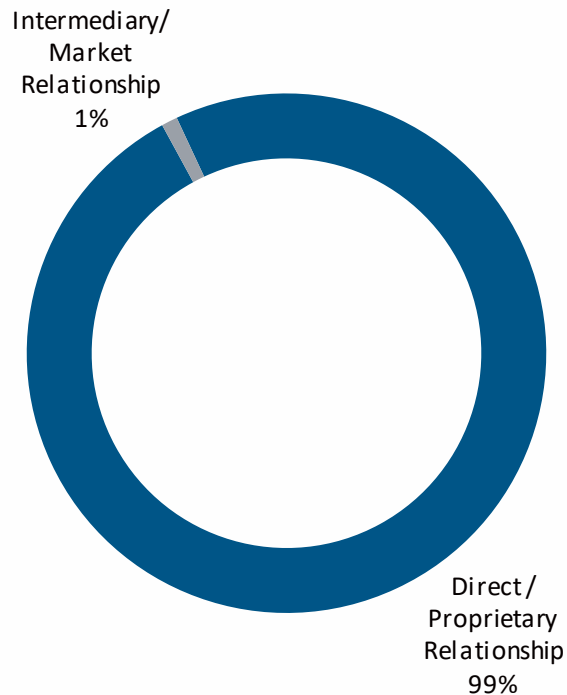
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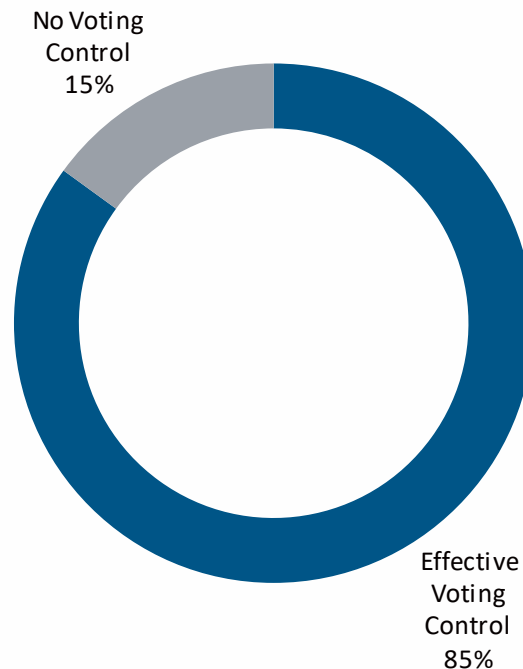
4.
Focused Risk
Management

SOURCING



***99% sourced away
from Wall Street***

VOTING CONTROL



***Effective voting control in 85% of
portfolio debt investments***

Note: By fair value of investments as of 12/31/2020

TSLX PRINCIPLES AND INVESTMENT STRATEGY

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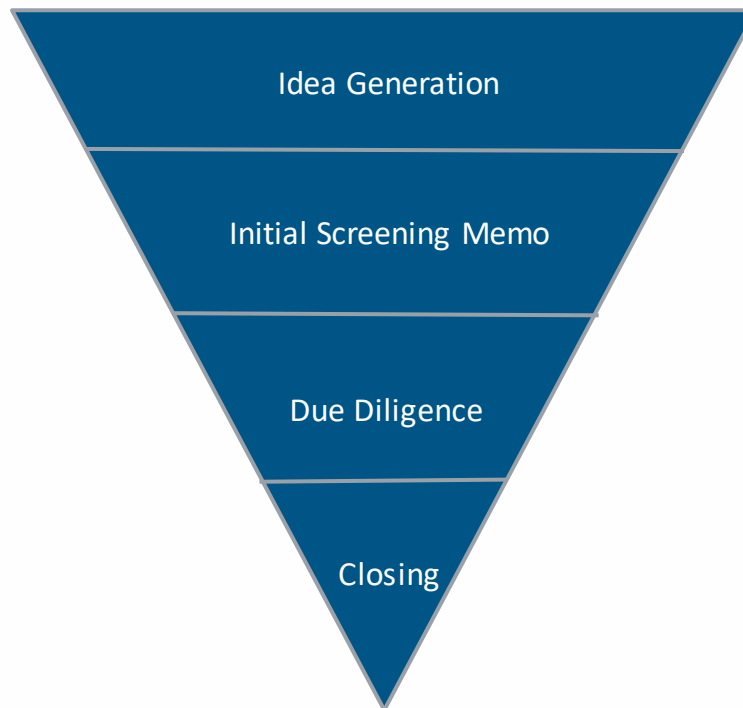
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TSLX DEAL FUNNEL

Typical underwriting process 1–3 months



TSLX DEAL
FUNNEL

PERCENT OF
SOURCED

~8,950

100.0%

1,001

11.2%

413

4.6%

198

2.2%

***Our direct sourcing model is a differentiator;
highly selective investment process***

Note: Since inception through 12/31/2020

TSLX PRINCIPLES AND INVESTMENT STRATEGY

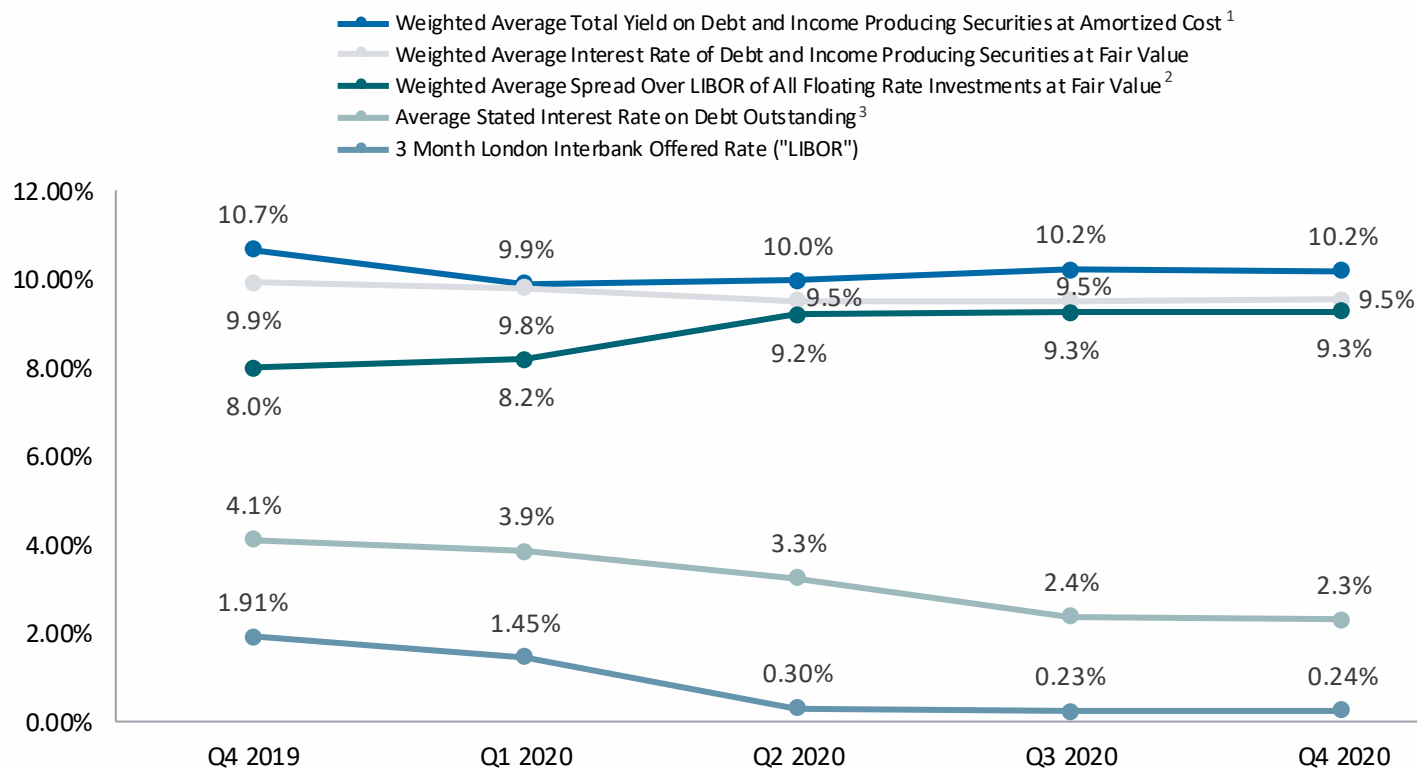
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NET INTEREST MARGIN



1. Total yield on investments is calculated based on the interest rate and the accretion of OID, exclusive of investments on non-accrual status

2. Includes one or more fixed rate investments for which TSLX entered into an interest rate swap agreement to swap to a floating rate

3. Adjusted average interest rate on debt outstanding includes the swap-adjusted interest expense related to our convertible notes and unsecured notes, adjusted for quarterly settlement timing

Net interest margin has been stable... the benefit of direct originations

TSLX PRINCIPLES AND INVESTMENT STRATEGY

REPRESENTATIVE THEMES

1.
Differentiated
Platform Expertise
and Capabilities

2.
Disciplined Sector
Approach

3.
Maintain a Low
Volatility Portfolio

4.
Focused Risk
Management

Software and/or
Recurring Revenue

Curriculum
Associates®

intapp™

idera

validity

FRONTLINE®
TECHNOLOGIES

Qlik Q®

xavidxchange

ABL / ABL Retail

Save a lot Neiman Marcus

AÉROPOSTALE

iHeart MEDIA INC

Payless
SHOESOURCE

PSI POWER SOLUTIONS
INTERNATIONAL

SEARS

BARNEYS
NEW YORK

sears

SPORTS
AUTHORITY

Financing Pharma
Royalty Streams

biohaven
pharmaceuticals

Ironwood

NEKTAR

AR Securitization

CENTRIC
BRANDS

exela
TECHNOLOGIES

Upstream E&P

VERDAD
RESOURCES

REX
ENERGY

Northern
Oil & Gas, Inc.

Defensive themes consistent with our late-cycle minded approach

Note: Reflects current and fully realized investments; selected to represent a variety of transaction structures and investment strategies. This list is not comprehensive

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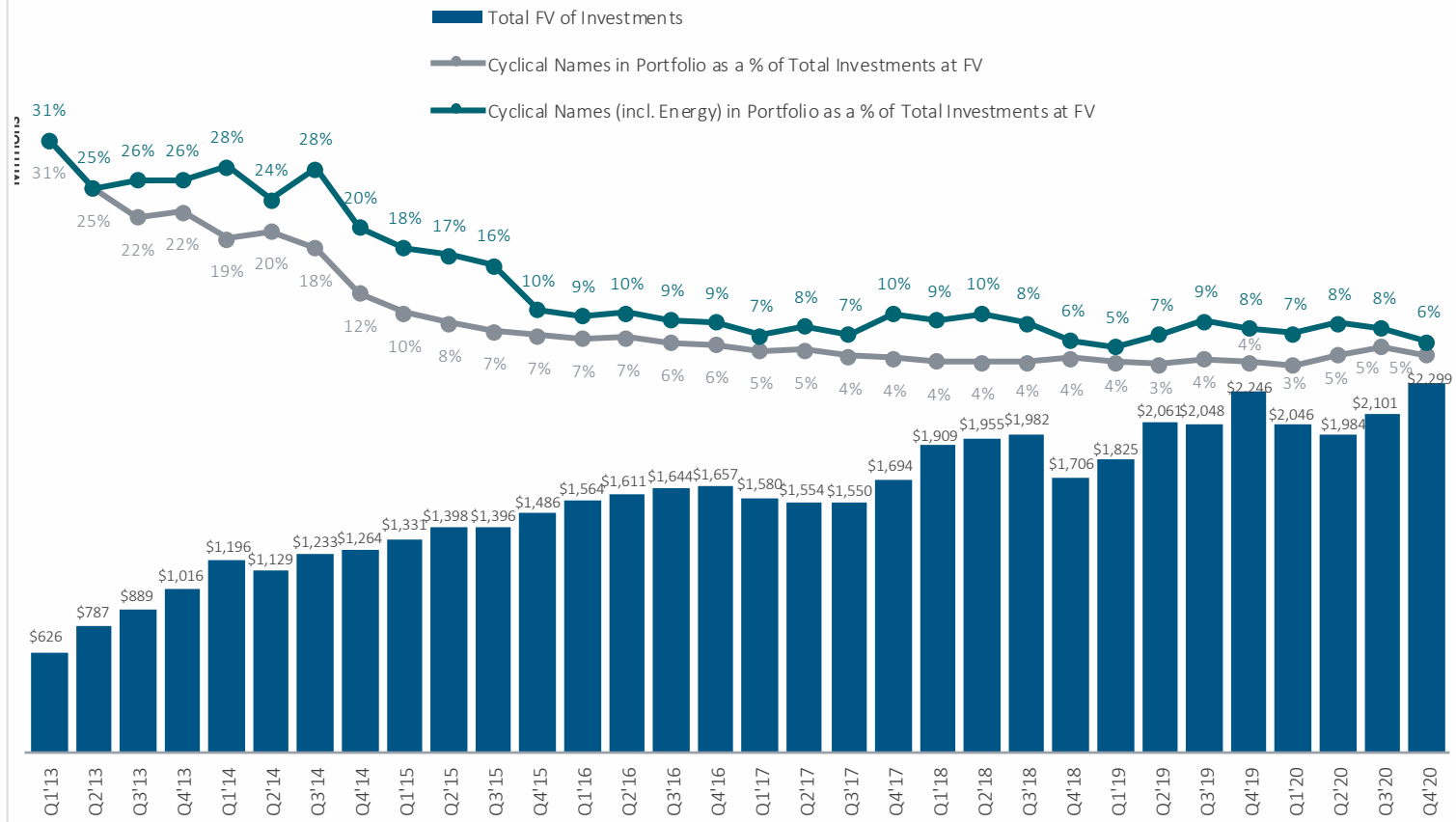
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REDUCING CYCLICAL EXPOSURE

\$ Millions By Fair Value



Late cycle-minded sector selection

Notes: Cyclical names include certain portfolio companies in the following industries: automotive; beverage, food, and tobacco; capital equipment; construction and building; containers and packaging; hotel, gaming, and leisure; manufacturing; metals and mining, which TSLX believes are subject to business cycle volatility. Excludes energy-related portfolio companies and asset-backed loan portfolio companies

TSLX PRINCIPLES AND INVESTMENT STRATEGY

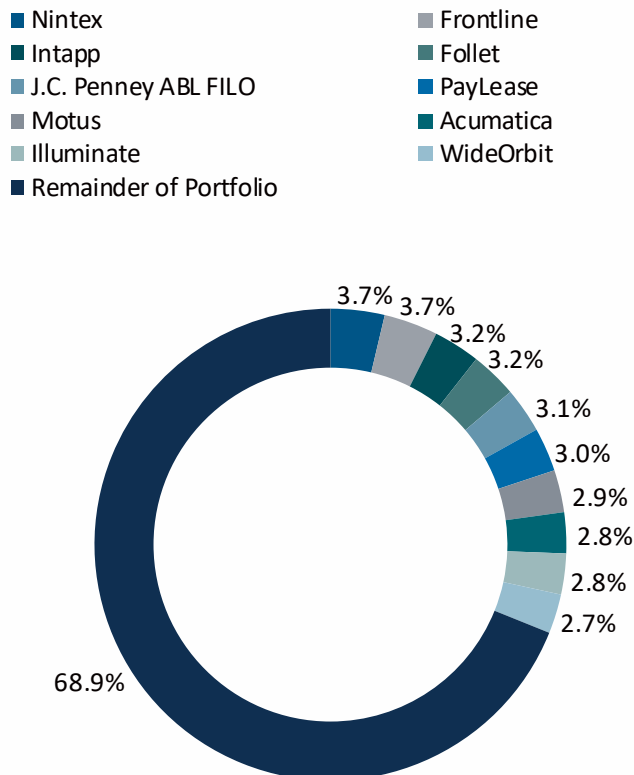
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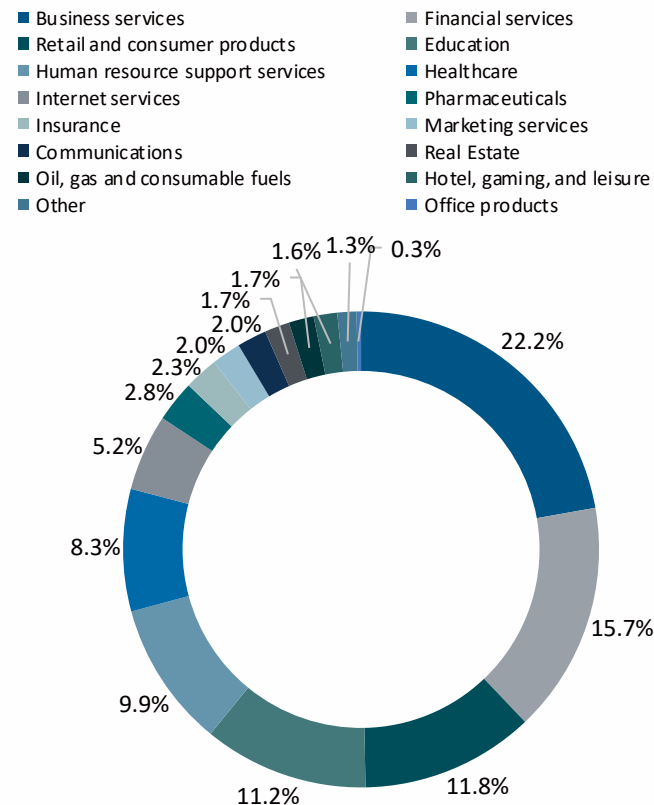
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TOP 10 BORROWER DIVERSIFICATION



INDUSTRY DIVERSIFICATION



Diversity across borrower and industry concentrations

Note: By fair value of investments as of 12/31/2020. Numbers may not sum due to rounding

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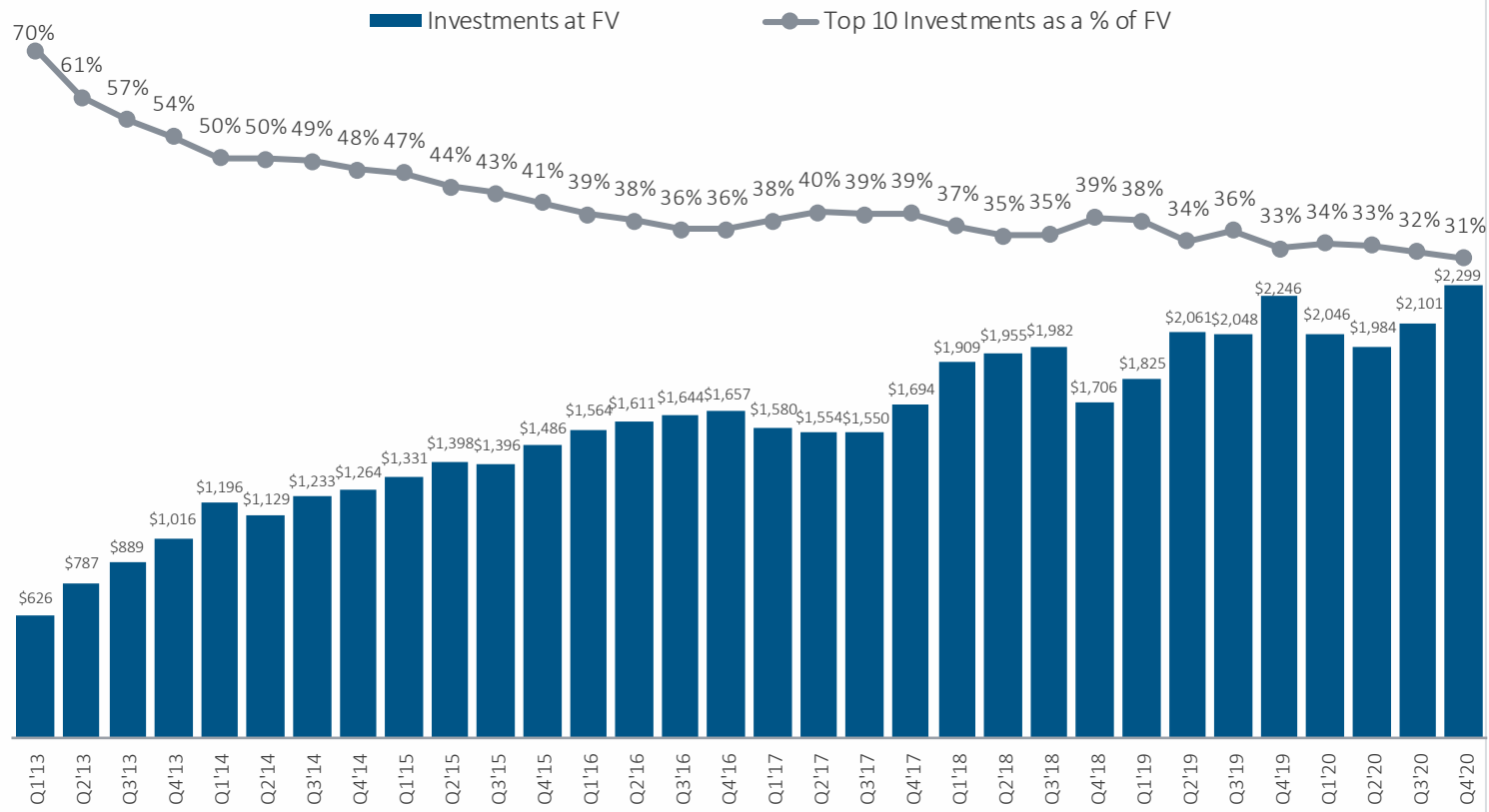
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PORTFOLIO DIVERSIFICATION

\$ Millions By Fair Value



Continued diversification of exposure across borrowers

TSLX PRINCIPLES AND INVESTMENT STRATEGY

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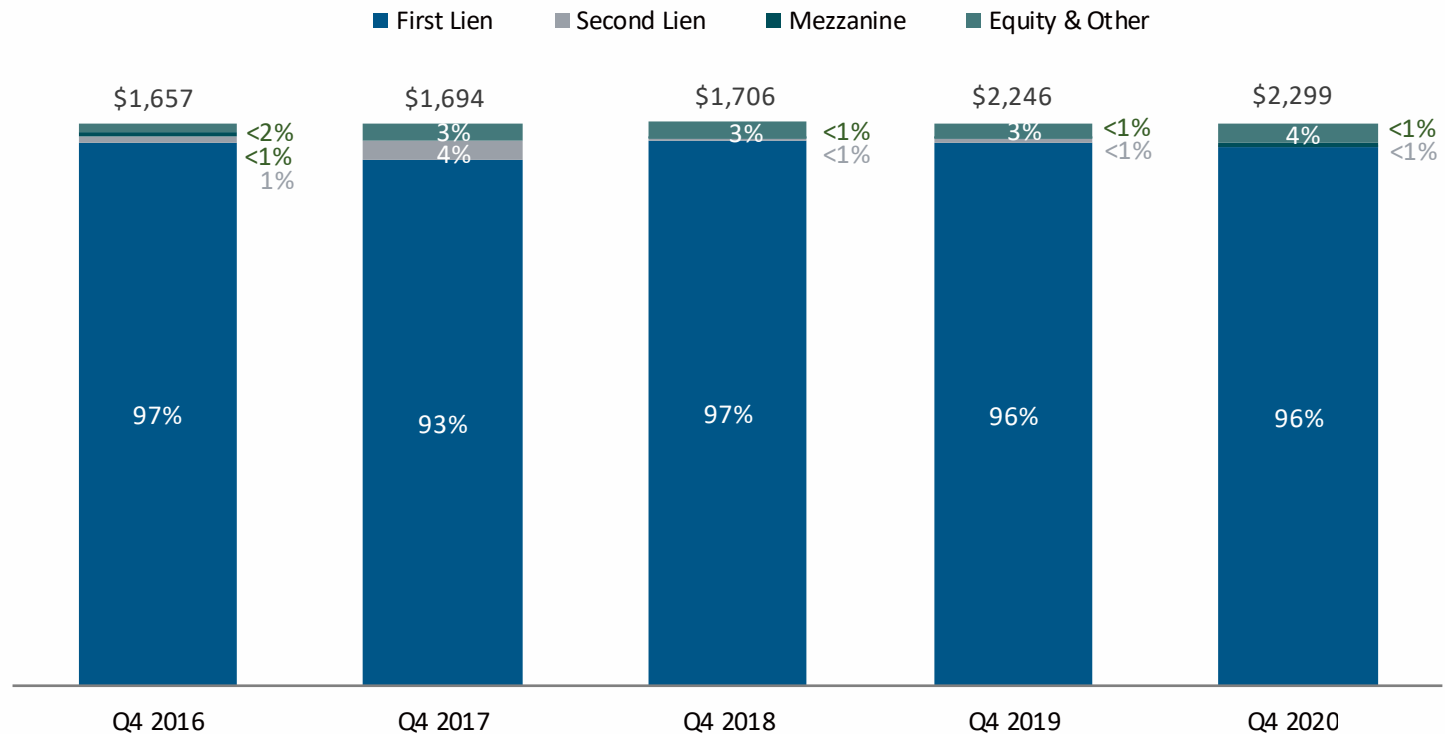
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CAPITAL STRUCTURE

\$ Millions By Fair Value



Note: By fair value of investments as of respective quarter-end date

Late cycle-minded capital structure selection

TSLX PRINCIPLES AND INVESTMENT STRATEGY

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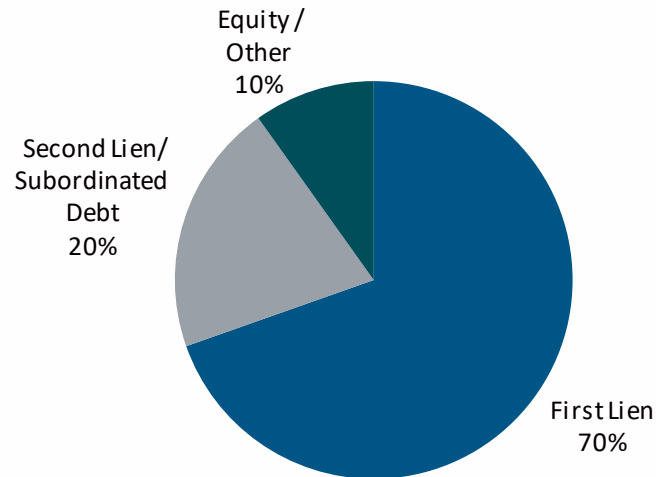
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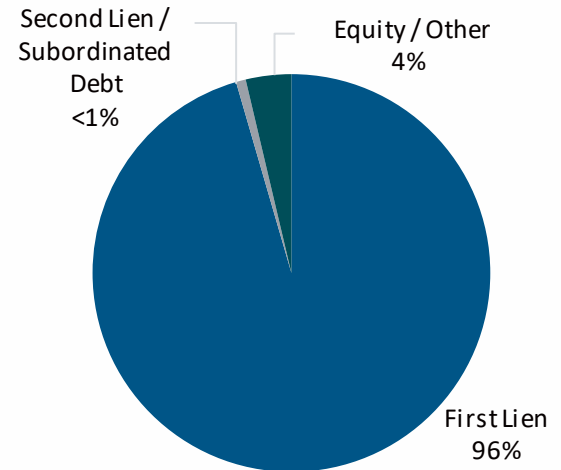
RELATIVE VALUE

Large BDC Composite^{1,2}



Yield at Amortized Cost³: 8.6%
Average Return on Equity⁴: 1.7%

TSLX Portfolio



Yield at Amortized Cost³: 10.2%
Return on Equity⁴: 15.8%

1. Excludes investments on non-accrual status

2. BDC Composite consists of 17 externally traded BDCs with more than \$1.0 billion of Total Assets as of 12/31/2020, excluding TSLX

3. As of 12/31/20, or latest available. PSEC, OCSL, TCPC, GBDC and ORCC yield at fair value as proxy for yield at amortized cost

4. Calculated as LTM 12/31/20, or latest available, cumulative net income per share divided by the beginning net asset value per share at 12/31/19

Note: Based on portfolio fair value as of 12/31/20, or latest available. Senior debt was split evenly between first and second lien for GBDC. Numbers may not sum to 100% due to rounding

Source: Company Reports, SNL Financial

TSLX generates strong unlevered returns on a substantially more senior portfolio than the average large BDC manager

TSLX PRINCIPLES AND INVESTMENT STRATEGY

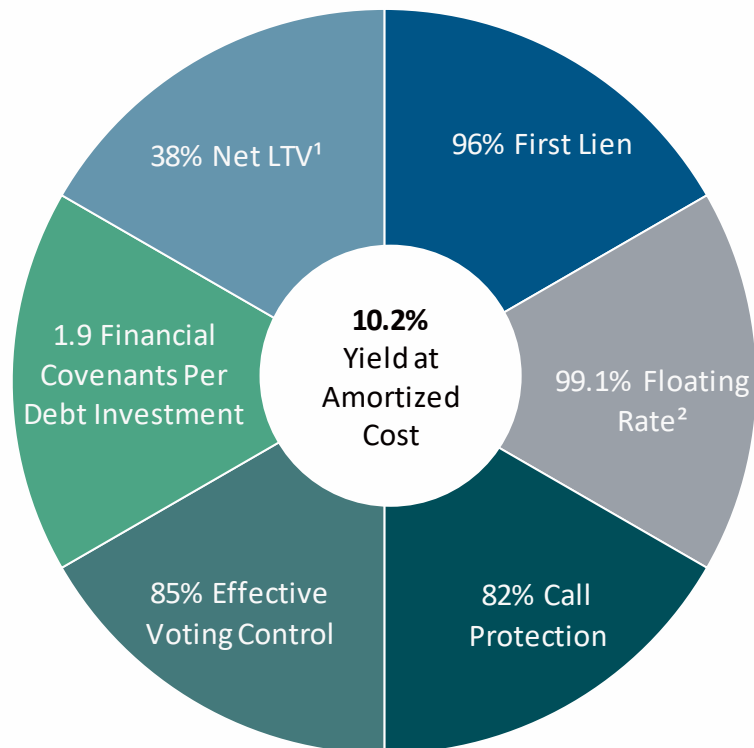
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Management

DISCIPLINED PORTFOLIO CONSTRUCTION



1. Reflects the portfolio's average net loan-to-value, weighted on a fair value basis

2. Includes one or more fixed rate investments for which we entered into an interest rate swap agreement to swap to a floating rate. Calculation includes income earning debt investments only

Note: By fair value of investments as of 12/31/2020, unless otherwise indicated

Strong credit and non-credit risk mitigation with attractive portfolio yields

TSLX PRINCIPLES AND INVESTMENT STRATEGY

1.
Differentiated
Platform Expertise
and Capabilities

2.
Disciplined Sector
Approach

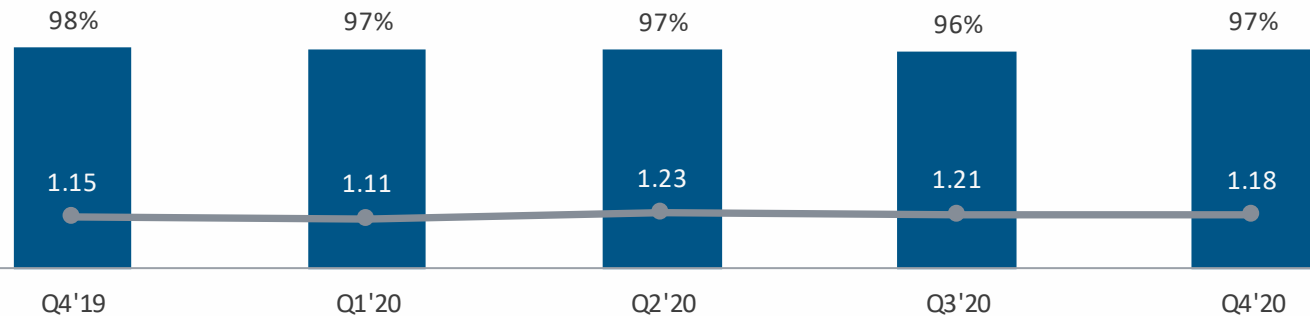
3.
Maintain a Low Volatility
Portfolio

4.
Focused Risk Management

WEIGHTED AVERAGE PORTFOLIO PERFORMANCE RATING

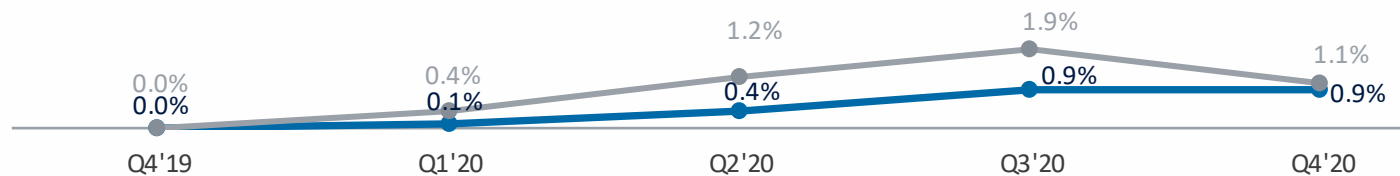
By Fair Value

■ % of Portfolio Rated 1 or 2



% OF INVESTMENTS ON NON-ACCRUAL

● By Fair Value ● By Amortized Cost



Note: Portfolio company metrics as of 12/31/2020

- The weighted average investment performance rating of the portfolio as of December 31, 2020 is 1.18 (1 being the lowest risk), and 87% of the portfolio is rated 1 and 97% of the portfolio is rated 1 or 2
- As of December 31, 2020, there were 2 investments on non-accrual status which represented 0.9% of investments at fair value. Names on non-accrual include:
 1. American Achievement which represents 0.9% of the portfolio at fair value
 2. Mississippi Resources which represents 0.0% of the portfolio at fair value

TSLX PRINCIPLES AND INVESTMENT STRATEGY

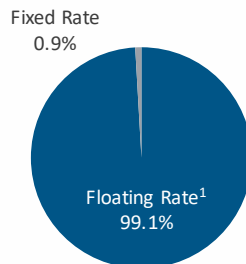
1.
Differentiated
Platform Expertise
and Capabilities

2.
Disciplined Sector
Approach

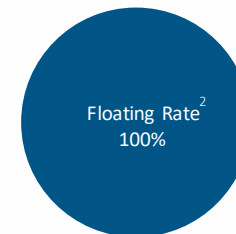
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Maintain a Low Volatility
Portfolio

4.
Focused Risk Management

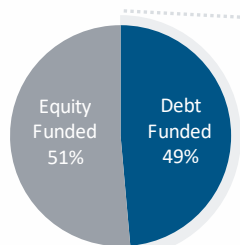
DEBT PORTFOLIO COMPOSITION



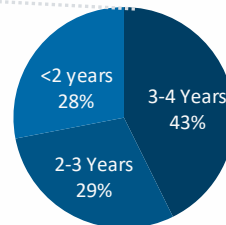
DEBT FUNDING COMPOSITION



PORTFOLIO FUNDING PROFILE³

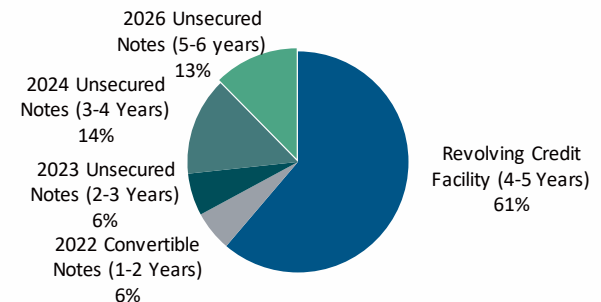


INVESTMENTS FUNDED WITH DEBT



Weighted average remaining life of investments funded by debt of ~2.5 years⁴

REMAINING DURATION OF DEBT



Weighted average remaining maturity of debt of ~4.5 years⁵

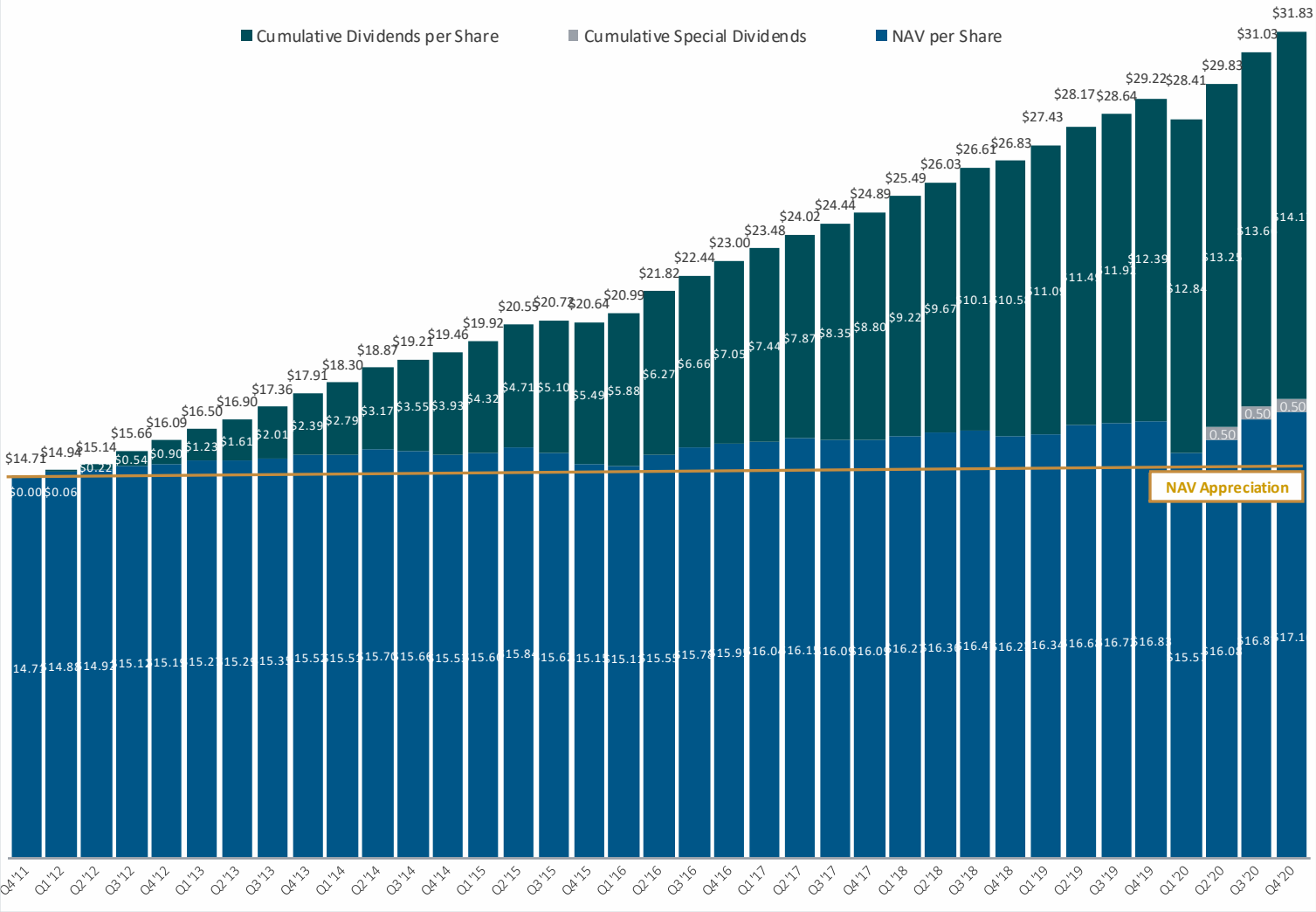
Sixth Street Specialty Lending is match funded from an interest rate and duration perspective

- Includes one or more fixed rate investments for which TSLX entered into an interest rate swaps agreement to swap to a floating rate. Calculation includes income earning debt investments only
- Convertible debt and unsecured notes treated as floating rate due to interest rate swaps TSLX entered into to swap fixed notes payments for floating rate payments
- Net of Deferred Financing Costs and Interest Rate Fair Value Hedging. Deferred Financing Costs total \$18.5M at 12/31/19, \$21.4M at 3/31/20, \$19.7M at 6/30/20, \$18.4M at 9/30/20 and \$17.2M at 12/31/20. Fair value hedge on interest rate swaps related to the 2024 notes total (\$1.7) M at 12/31/19, \$17.0M at 3/31/20, \$19.3M at 6/30/20, \$18.1M at 9/30/20 and \$16.8M at 12/31/20
- Weighted by amortized cost of debt investments. Investments are financed by debt and permanent equity capital. This analysis assumes longer-dated investments are currently funded by permanent equity capital (51% of investments) and the remaining (shorter-dated) investments (49% of investments) are currently funded by debt financing. Investments for purposes of this analysis exclude unfunded commitments, and permanent equity capital is defined as 12/31/20 net assets
- Weighted by gross commitment amount. Adjusted to reflect the \$300 million of 2026 unsecured notes that closed in February 2021, the net proceeds of which were used to pay down a portion of the outstanding revolver borrowings and the February 2021 amendment to the revolving credit facility, which upsized the facility by \$150 million to \$1.485 billion and extended the maturity date to February 2026 for \$1.390 billion of commitments

Note: As of 12/31/20. Numbers may not sum to 100% due to rounding

TSLX PRINCIPLES AND INVESTMENT STRATEGY

BOOK VALUE PER SHARE AND DIVIDENDS PAID



LIQUIDITY MANAGEMENT

Revolving Credit Facility¹

| | |
|---------------------------------|--|
| Size: | \$1.485 Billion; Uncommitted Accordion Feature Can Increase Total Size to \$2.00 Billion |
| Revolving Period [*] : | February 4, 2025 |
| Maturity Date [*] : | February 4, 2026 |
| Interest Rate: | LIBOR + 1.875% / LIBOR + 1.75% |
| Undrawn Fee: | 0.375% |

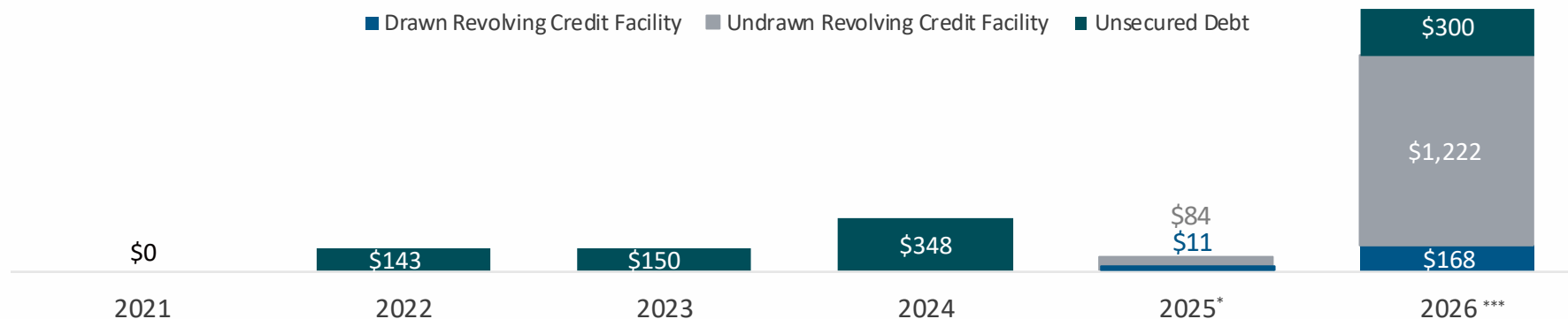
Unsecured Notes

| | Convertible Notes | Unsecured Notes ^{**} | | |
|---|-------------------|-------------------------------|-------------------|----------------|
| Size: | \$143 Million | \$150 Million | \$348 Million | \$300 Million |
| Maturity: | August 1, 2022 | January 22, 2023 | November 1, 2024 | August 1, 2026 |
| Coupon: | 4.500% | 4.500% | 3.875% | 2.500% |
| Interest Rate Swap Pricing ² : | LIBOR + 2.11% | LIBOR + 1.99% | LIBOR + 2.28% | LIBOR + 1.91% |
| Implied Spread over Treasury ³ : | 255 bps / 155 bps | 212 bps | 245 bps / 195 bps | 225 bps |
| Initial / Current Conversion Price ⁴ : | \$21.34 / \$19.75 | N/A | N/A | N/A |

DEBT PROFILE BY MATURITY DATE

As of December 31, 2020 | \$ Millions

■ Drawn Revolving Credit Facility ■ Undrawn Revolving Credit Facility ■ Unsecured Debt



*Includes \$95 million of non-extending commitments with a maturity of January 31, 2025 and a revolving period ending January 31, 2024

**Includes the \$300 million 2026 unsecured notes that closed in February 2021, the net proceeds of which were used to pay down a portion of the outstanding revolver borrowings

***Adjusted to reflect the \$300 million 2026 unsecured notes that closed in February 2021, of which the estimated net proceeds were used to pay down a portion of the outstanding revolver borrowings and the February 2021 amendment to the revolving credit facility, which upsized the facility by \$150 million to \$1.485 billion and extended the maturity date to February 2026 for \$1.390 billion of commitments

1. Interest rate on the facility is a formula-based calculation. If the Borrowing Base is equal to or greater than 1.85 times the Combined Debt Amount (i.e. 1.85x total commitments), the applicable margin is L+1.75%. Terms have been adjusted to reflect the February 2021 amendment to the revolving credit facility, which upsized the facility by \$150 million to \$1.485 billion, upsized the accordion feature by \$250 million to \$2.00 billion and extended the maturity date to February 2026 for \$1.390 billion of commitments
2. In connection with the note offerings, the Company entered into interest rate swaps to continue to align the interest rates of its liabilities with its investment portfolio, which consists of predominately floating rate loans. In connection with certain notes repurchases, the Company entered into additional interest rate swaps to reduce the notional exposure of its existing interest rate swaps related to the notes to match the current principal amount of notes outstanding. As a result of the swaps, the effective interest rate (excluding OID) on the 2023 notes is LIBOR plus 1.99%; the effective interest rate (excluding OID) on the 2022 convertible notes is LIBOR plus 2.11%; the effective interest rate (excluding OID) on the 2024 notes is LIBOR plus 2.28%; and the effective interest rate (excluding OID) on the 2026 notes is LIBOR plus 1.91%.
3. Reflects the implied spread over the treasury rate at the time of each transaction close
4. Current conversion price adjusted for dividends in excess of dividend thresholds

CREDIT HIGHLIGHTS – RATED BDC PEERS

| (\$ in millions) | Key Credit Metrics | | | | | | | | | | | | | | ROE (NI) | |
|--------------------------------|--------------------|--------------------------|---------------|---------------|---------------|------------------------------|------------------------------|----------------------------------|---|----------|---------------------|---------------------------|---------------------------------|--------------------|-------------------------|--|
| | Ticker | Long Term Credit Ratings | | | | Debt / Equity ⁽¹⁾ | Debt / Assets ⁽¹⁾ | Interest Coverage ⁽²⁾ | Interest & Dividend Coverage ⁽³⁾ | Assets | Debt ⁽¹⁾ | % 1st Lien ⁽⁴⁾ | % Debt Unsecured ⁽⁵⁾ | LTM ⁽⁶⁾ | Since | |
| | | Moody's | S&P | Fitch | KBRA | | | | | | | | | | TSLX IPO ⁽⁷⁾ | |
| Ares Capital Corp | ARCC | Baa3 (stable) | BBB- (stable) | BBB (neg) | | 1.19x | 53% | 3.6x | 1.1x | \$16,196 | \$8,550 | 46% | 67% | 6.6% | 9.8% | |
| Owl Rock Capital Corporation | ORCC | Baa3 (stable) | BBB- (stable) | BBB- (stable) | BBB (stable) | 0.92x | 47% | 4.4x | 1.3x | 11,304 | 5,293 | 78% | 45% | 6.6% | 8.9% | |
| FS KKR Capital II | FSKR | | | | BBB (neg) | 0.78x | 42% | 3.5x | 1.4x | 7,750 | 3,288 | 67% | 14% | -10.5% | 2.3% | |
| FS KKR Capital | FSK | Baa3 (neg) | | BBB- (neg) | BBB (neg) | 1.31x | 56% | 3.1x | 1.0x | 7,126 | 3,957 | 54% | 46% | -14.7% | -0.4% | |
| Prospect Capital | PSEC | Baa3 (neg) | BBB- (neg) | | BBB- (neg) | 0.62x | 37% | 3.0x | 1.2x | 5,701 | 2,132 | 58% | 87% | 13.5% | 6.4% | |
| Golub Capital | GBDC | | BBB- (neg) | BBB- (stable) | | 0.95x | 48% | 3.2x | 1.1x | 4,803 | 2,322 | 57% | 43% | 2.0% | 7.9% | |
| New Mountain Finance Corp | NMFC | | | BBB- (neg) | BBB- (neg) | 1.45x | 58% | 2.5x | 1.0x | 3,098 | 1,798 | 53% | 43% | 4.8% | 7.3% | |
| Main Street Capital | MAIN | | BBB- (stable) | | | 0.84x | 45% | 3.8x | 1.0x | 2,657 | 1,193 | 97% | 79% | -2.3% | 10.8% | |
| Bain Capital Specialty Finance | BCSF | Baa3 (stable) | | | | 1.44x | 58% | 2.2x | 1.0x | 2,621 | 1,514 | 87% | 62% | -1.3% | 4.0% | |
| Apollo Investment | AINV | | | | BBB- (neg) | 1.49x | 59% | 3.0x | 1.1x | 2,579 | 1,512 | 86% | 23% | -6.5% | 1.2% | |
| Hercules Capital | HTGC | | | | BBB+ (stable) | 1.00x | 49% | 3.3x | 1.1x | 2,624 | 1,296 | 84% | 64% | 18.7% | 10.2% | |
| Solar Capital | SLRC | Baa3 (neg) | | BBB- (stable) | | 0.79x | 35% | 3.2x | 0.9x | 1,936 | 671 | 94% | 66% | 1.7% | 5.7% | |
| BlackRock TCP Capital | TCPC | Baa3 (neg) | | BBB- (stable) | | 1.27x | 55% | 3.0x | 1.0x | 1,689 | 932 | 82% | 82% | 2.8% | 6.0% | |
| Oaktree Specialty Lending | OCSL | Baa3 (neg) | | BBB- (stable) | | 0.72x | 39% | 3.9x | 1.2x | 1,794 | 695 | 60% | 43% | 9.8% | 0.8% | |
| Goldman Sachs BDC | GSBD | Baa3 (stable) | | BBB- (stable) | | 1.46x | 58% | 3.2x | 1.0x | 1,569 | 912 | 78% | 56% | 1.8% | 5.2% | |
| Barings BDC Inc | BBDC | Baa3 (stable) | | | | 1.31x | 57% | 2.4x | 1.0x | 1,223 | 691 | 92% | 7% | -0.6% | 0.2% | |
| Crescent Capital BDC | CCAP | | | | BBB- (stable) | 0.79x | 43% | 4.1x | 1.1x | 981 | 422 | 78% | 9% | 10.0% | 6.5% | |
| BlackRock Capital | BKCC | | | BB- (stable) | | 1.00x | 49% | 3.2x | 1.1x | 621 | 305 | 37% | 47% | -25.8% | -1.1% | |
| Median | | | | | | 1.00x | 49% | 3.2x | 1.1x | | | 78% | 46% | 1.9% | 5.9% | |
| Mean | | | | | | 1.07x | 49% | 3.3x | 1.1x | | | 72% | 49% | 0.9% | 5.1% | |
| Sixth Street Specialty Lending | TSLX | Baa3 (stable) | BBB- (stable) | BBB- (stable) | BBB+ (stable) | 0.95x | 48% | 5.1x | 1.4x | \$2,339 | \$ 1,113 | 96% | 84% | 15.8% | 12.7% | |

Source: SNL Financial and company filings, data as of quarter ended 12/31/2020, or latest available

(1) Debt figure includes SBA debentures

(2) Interest coverage defined as (LTM net investment income + LTM interest expense) / LTM interest expense

(3) Interest & dividend coverage defined as (LTM net investment income + LTM interest expense) / (LTM interest expense + LTM regular dividends paid); excludes special dividends paid

(4) Based on fair value. Senior secured debt was split evenly between first and second lien for GBDC

(5) Pro forma for any unsecured debt issuances post quarter ended 12/31/20

(6) Calculated as LTM 12/31/2020 cumulative net income per share, or latest available, divided by beginning NAV per share at 12/31/2019

(7) Calculated as cumulative net income per share from 3/31/2014 to 12/31/2020, or latest available, divided by beginning NAV per share at 3/31/2014, adjusted for annual basis



ADDITIONAL MATERIALS

FINANCIAL HIGHLIGHTS

DOLLAR AMOUNTS IN THOUSANDS

Except Per Share Data; Per Share Data is Based on Weighted Average Shares Outstanding During the Period, Except as Otherwise Noted

| | Q4 2019 | Q1 2020 | Q2 2020 | Q3 2020 | Q4 2020 |
|--|---------------|---------------|---------------|---------------|---------------|
| Net Investment Income Per Share | \$0.51 | \$0.51 | \$0.59 | \$0.61 | \$0.48 |
| Net Income (Loss) Per Share | \$0.57 | (\$0.80) | \$1.43 | \$1.21 | \$0.79 |
| <i>Accrued Capital Gains Incentive Fee Expense</i> | <i>\$0.00</i> | <i>\$0.00</i> | <i>\$0.00</i> | <i>\$0.00</i> | <i>\$0.02</i> |
| Adjusted Net Investment Income Per Share ¹ | \$0.51 | \$0.51 | \$0.59 | \$0.61 | \$0.50 |
| Adjusted Net Income (Loss) Per Share ¹ | \$0.57 | (\$0.80) | \$1.43 | \$1.21 | \$0.81 |
| Net Asset Value Per Share (Ending Shares) | \$16.83 | \$15.57 | \$16.08 | \$16.87 | \$17.16 |
| Pro Forma Net Asset Value Per Share (Ending Shares) ² | \$16.77 | \$15.07 | \$16.08 | \$16.77 | \$15.86 |
| Distributions Per Share (Record Date) | \$0.47 | \$0.47 | \$0.91 | \$0.41 | \$0.51 |
| Net Assets | \$1,119,297 | \$1,036,736 | \$1,082,601 | \$1,141,220 | \$1,161,315 |
| Total Debt ³ | \$1,118,189 | \$986,799 | \$874,942 | \$931,624 | \$1,112,590 |
| Debt to Equity at Quarter-end ⁴ | 1.00x | 0.96x | 0.81x | 0.81x | 0.95x |
| Average Debt to Equity ⁵ | 0.97x | 0.99x | 0.87x | 0.93x | 0.87x |
| Annualized ROE on Net Investment Income ⁶ | 12.2% | 12.0% | 15.6% | 15.1% | 11.5% |
| Annualized ROE on Net Income (Loss) ⁶ | 13.6% | (18.9)% | 38.0% | 30.1% | 18.7% |

1. Adjusted to exclude the capital gains incentive fee expense that was accrued, but not paid, related to cumulative unrealized capital gains in excess of cumulative net realized capital gains less any cumulative unrealized losses and capital gains incentive fees paid inception to date

2. Reflects NAV per share pro forma for the variable supplemental dividend per share related to that quarter's earnings. Note that Q1 2020 NAV per share is pro forma for the special dividends of \$0.50/share, declared in Q1 2020 and paid in Q2 2020 and Q4 2020 NAV per share is pro forma for the special dividend of \$1.25/share declared in Q1 2021 and payable in Q2 2021

3. Represents principal value of debt outstanding

4. Pro-forma for unsettled trade receivables / (payables) of (\$2.6)M at 12/31/19, (\$4.6)M at 3/31/20, (\$261)k at 6/30/20, \$2.4M at 9/30/20 and \$11.8M at 12/31/20

5. Daily average debt outstanding during the quarter divided by daily average net assets during the quarter. Daily average net assets is calculated by starting with the prior quarter end net asset value and adjusting for capital activity during the quarter (adding common stock offerings / DRIP contributions)

6. Return on Equity is calculated using the prior period's ending net asset value per share

PORTFOLIO HIGHLIGHTS – SELECTED METRICS

DOLLAR AMOUNTS IN THOUSANDS

| | As of and For Three Months Ended | | | | |
|---|----------------------------------|--------------------|--------------------|--------------------|--------------------|
| | December 31, 2019 | March 31, 2020 | June 30, 2020 | September 30, 2020 | December 31, 2020 |
| Investments at Fair Value | \$2,245,928 | \$2,045,572 | \$1,983,844 | \$2,100,765 | \$2,298,870 |
| Number of Portfolio Companies | 63 | 62 | 65 | 70 | 70 |
| Average Investment Size in Our Portfolio Companies | \$35,650 | \$32,993 | \$30,521 | \$30,011 | \$32,841 |
| Asset Class: | | | | | |
| First-Lien Debt Investments | 96% | 97% | 96% | 95% | 96% |
| Second-Lien Debt Investments | <1% | <1% | <1% | <1% | <1% |
| Mezzanine Debt Investments | <1% | <1% | <1% | <1% | <1% |
| Equity and Other Investments | 3% | 3% | 4% | 4% | 4% |
| Interest Rate Type¹: | | | | | |
| % Floating Rate ² | 99.2% | 99.4% | 98.8% | 98.9% | 99.1% |
| % Fixed Rate | 0.8% | 0.6% | 1.2% | 1.1% | 0.9% |
| Yields at Fair Value unless Otherwise Noted: | | | | | |
| Weighted Average Total Yield of Debt and Income Producing Securities at Amortized Cost ³ | 10.7% | 9.9% | 10.0% | 10.2% | 10.2% |
| Weighted Average Total Yield of Debt and Income Producing Securities ³ | 10.5% | 10.2% | 10.0% | 10.1% | 10.0% |
| Weighted Average Spread Over 3-Month LIBOR of All Floating Rate Investments ² | 8.0% | 8.2% | 9.2% | 9.3% | 9.3% |
| Weighted Average Interest Rate of Debt and Income Producing Securities | 9.9% | 9.8% | 9.5% | 9.5% | 9.5% |
| Fair Value as a Percentage of Principal (Debt) | 99.8% | 96.0% | 98.1% | 99.0% | 99.4% |
| Fair Value as a Percentage of Call Price (Debt) | 96.2% | 92.4% | 94.0% | 94.6% | 94.6% |
| Investment Activity at Par: | | | | | |
| New Investment Commitments | \$329,335 | \$134,005 | \$89,188 | \$435,531 | \$525,987 |
| Net Funded Investment Activity | \$184,992 | (\$131,551) | (\$134,140) | \$79,278 | \$184,112 |
| New Investment Commitments at Par: | | | | | |
| Number of New Investment Commitments in New Portfolio Companies | 9 | 3 | 6 | 12 | 10 |
| Average New Investment Commitment Amount in New Portfolio Companies | \$33,996 | \$41,351 | \$9,467 | \$34,800 | \$42,250 |
| Weighted Average Term for New Investment Commitments in New Portfolio Companies (In Years) | 4.2 | 5.0 | 4.7 | 3.8 | 5.3 |
| Weighted Average Interest Rate of New Investment Commitments | 10.3% | 10.9% | 10.1% | 10.3% | 9.9% |
| Weighted Average Spread Over 3-Month LIBOR of New Floating Rate Investment Commitments ² | 8.4% | 9.3% | 9.9% | 10.1% | 9.7% |

1. Calculation includes income earning debt investments only

2. Includes one or more fixed rate investments for which TSLX entered into an interest rate swap agreement to swap to a floating rate

3. Total yield on investments is calculated based on the interest rate and the accretion of OID, exclusive of investments on non-accrual status

OPERATING RESULTS DETAIL

DOLLAR AMOUNTS IN THOUSANDS

Except Per Share Data; Per Share Data is Based on Ending Shares Outstanding

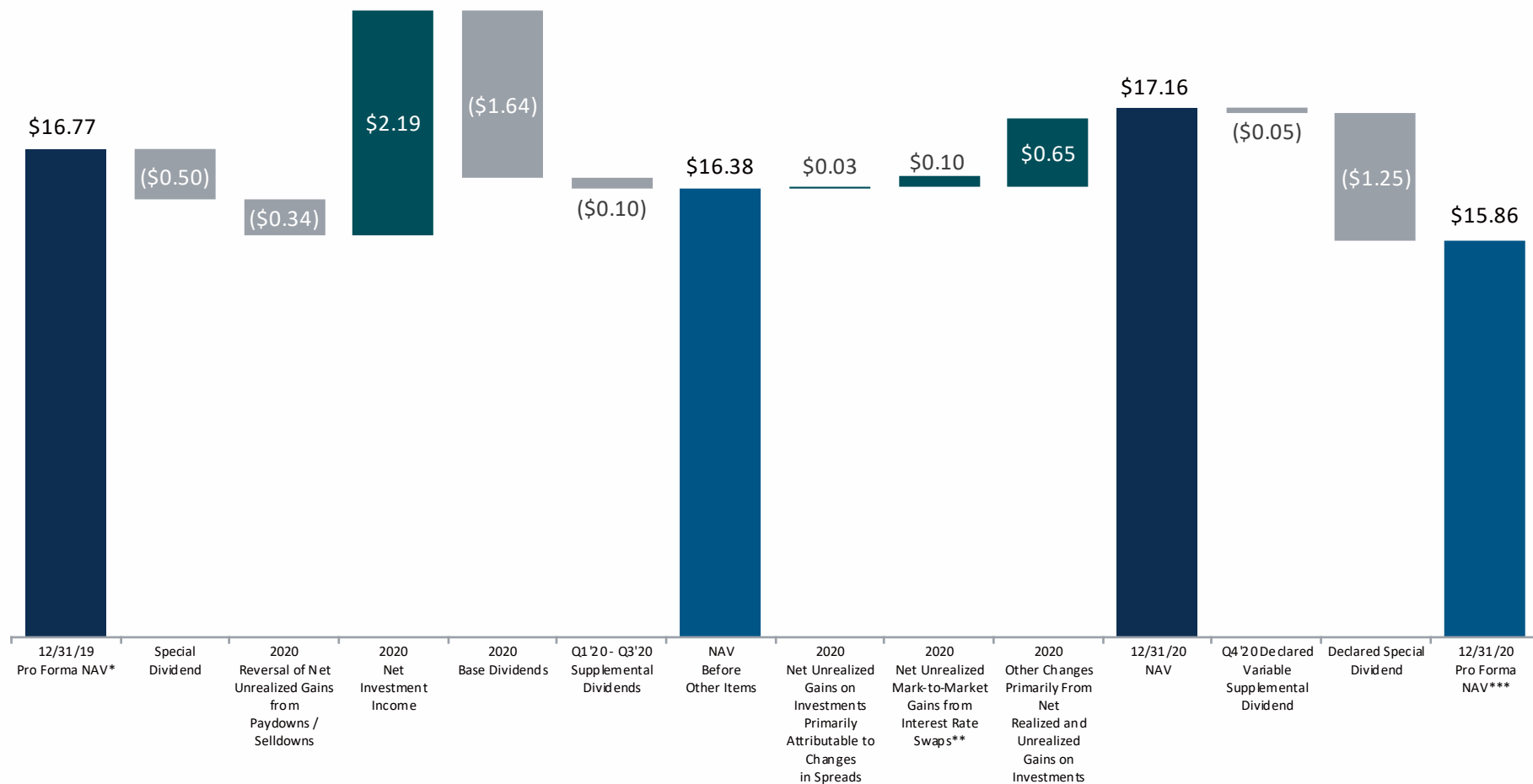
| | For Year Ended | | For Three Months Ended | | | |
|---|------------------|------------------|------------------------|-----------------|--------------------|-------------------|
| | 2019 | 2020 | March 31, 2020 | June 30, 2020 | September 30, 2020 | December 31, 2020 |
| Investment Income: | | | | | | |
| Interest From Investments – Interest and Dividend Income ¹ | \$218,795 | \$212,028 | \$55,879 | \$49,522 | \$53,893 | \$52,733 |
| Interest From Investments – Other Fees ² | \$18,763 | \$35,463 | \$7,582 | \$14,254 | \$9,320 | \$4,307 |
| Total Interest From Investments | \$237,558 | \$247,491 | \$63,461 | \$63,776 | \$63,213 | \$57,040 |
| Other Income ³ | \$13,937 | \$22,546 | \$2,809 | \$6,458 | \$8,103 | \$5,177 |
| Total Investment Income | \$251,495 | \$270,037 | \$66,270 | \$70,234 | \$71,316 | \$62,217 |
| Expenses: | | | | | | |
| Interest | \$49,110 | \$39,402 | \$12,910 | \$9,851 | \$8,399 | \$8,243 |
| Management Fees | \$30,104 | \$32,105 | \$8,165 | \$7,666 | \$7,839 | \$8,435 |
| Incentive Fees | \$27,211 | \$32,904 | \$7,140 | \$8,372 | \$8,719 | \$8,673 |
| Other Operating Expenses | \$13,037 | \$12,862 | \$3,383 | \$3,876 | \$3,255 | \$2,347 |
| Total Expenses | \$119,462 | \$117,273 | \$31,598 | \$29,765 | \$28,212 | \$27,698 |
| Net Expenses | \$119,462 | \$117,273 | \$31,598 | \$29,765 | \$28,212 | \$27,698 |
| Net Investment Income Before Income Taxes | \$132,033 | \$152,764 | \$34,672 | \$40,469 | \$43,104 | \$34,519 |
| Income Taxes, Including Excise Taxes | \$3,750 | \$5,760 | \$1,010 | \$1,000 | \$2,000 | \$1,750 |
| Net Investment Income | \$128,283 | \$147,004 | \$33,662 | \$39,469 | \$41,104 | \$32,769 |
| Net Unrealized and Realized Gains (Losses) | \$26,300 | \$31,104 | (\$86,761) | \$56,401 | \$40,753 | \$20,711 |
| Net Income (Loss) | \$154,583 | \$178,108 | (\$53,099) | \$95,870 | \$81,857 | \$53,480 |
| Per Share: | | | | | | |
| Net Investment Income | \$1.94 | \$2.19 | \$0.51 | \$0.59 | \$0.61 | \$0.48 |
| Net Income (Loss) | \$2.34 | \$2.65 | (\$0.80) | \$1.43 | \$1.21 | \$0.79 |
| Distributions (Record Date) | \$1.81 | \$2.30 | \$0.47 | \$0.91 | \$0.41 | \$0.51 |
| Weighted Average Shares Outstanding for the Period | 66,069,305 | 67,209,078 | 66,656,280 | 66,957,883 | 67,584,660 | 67,628,749 |
| Shares Outstanding at End of Period | 66,524,591 | 67,684,209 | 66,569,771 | 67,342,413 | 67,628,140 | 67,684,209 |

1. Interest from investments – interest and dividend income includes accrued interest and dividend income, amortization of purchase discounts (premiums) and certain fees, and accelerated amortization of upfront fees from scheduled principal payments

2. Interest from investments – other fees includes prepayment fees and accelerated amortization of upfront fees from unscheduled paydowns

3. Other income includes amendment fees, syndication fees, interest on cash and cash equivalents, and miscellaneous fees

NET ASSET VALUE BRIDGE – 2020



*Reflects Q4 2019 NAV per share pro forma for the declared variable supplemental dividend per share of \$0.06 related to Q4 2019 earnings paid in Q1 2020

**Excludes the impact from changes in the fair value of the interest rate swap related to the 2024 notes given the application of Hedge Accounting on this instrument

***Reflects Q4 2020 NAV per share pro forma for the declared variable supplemental dividend per share of \$0.05 related to Q4 2020 earnings and payable in Q1 2021 in addition to the special dividend of \$1.25/share declared in Q1 2021 and payable in Q2 2021

Note: Per share data was derived using the year-to-date weighted average shares outstanding except for DRIP, dividend, share repurchases, beginning NAV & ending NAV. Numbers may not sum due to rounding

OUR DRIVERS OF ROE

Return on Assets

Prudent Use of
Leverage

Expense
Management

Positioned For
NAV Growth

Illustrative Unit Economics / Return on Equity

Return on Assets:

| | |
|--|--------------|
| Weighted Average Interest Rate of Debt and Income Producing Securities | 9.5% |
| Amortization of upfront fees ¹ | 0.9% |
| Total Yield on Debt and Income Producing Securities | 10.4% |
| Impact of Additional fees² | 1.4% |
| All-in Yield (on Assets) | 11.8% |
| Cost of funds ³ | (3.4%) |
| Assumed Debt/Equity | 0.90x |
| ROE (on Equity)* | 19.4% |
| Management Fees (1.50% of Assets) | (2.9%) |
| Operating Expenses (0.64% of Assets) ⁴ | (1.2%) |
| ROE Before Incentive Fee | 15.3% |
| Incentive Fee | (2.7%) |
| ROE on NII | 12.6% |
| Base Book Dividend Yield based on Year End 2020 NAV | 9.6% |

***Ability to generate a strong risk-adjusted return on equity
in excess of our base dividend level and grow NAV***

*Calculated as All-in-Yield (on Assets) x (1 + Assumed Debt/Equity) – Cost of Funds x Assumed Debt/Equity

1. Amortization of upfront fees assumes upfront fees of 225 bps and a 2.5-year average life

2. Reflects average prepayment fees, syndication fees and other income for the historical 3-year period ending 12/31/2020

3. Reflects the actual average interest cost under the terms of our debt for the quarter ended 12/31/2020, adjusted to reflect the \$300 million of 2026 unsecured notes that closed in February 2021, the net proceeds of which were used to pay down a portion of the outstanding revolver borrowings and the February 2021 amendment to the revolving credit facility, which upsized the facility by \$150 million to \$1.485 billion and extended the maturity date to February 2026 for \$1.390 billion of commitments. Calculation includes fees (such as fees on undrawn amounts and amortization of upfront fees) and gives effect to the swap-adjusted interest rate on our Convertible Notes and Unsecured Notes

4. Reflects average run-rate operating expenses for the historical 3-year period ending 12/31/2020

Note: For illustrative purposes only; not necessarily indicative of future returns

ILLUSTRATIVE INTEREST COVERAGE THROUGHOUT CYCLES

| Illustrative Interest Coverage | | | | | | |
|--------------------------------|----------------|-------|-------|-------|-------|-------|
| All-in Yield (on Assets) | Debt to Equity | | | | | |
| | 0.87x | 0.90x | 0.95x | 1.00x | 1.10x | 1.25x |
| | 9.0% | 3.66x | 3.66x | 3.66x | 3.65x | 3.66x |
| | 9.5% | 3.92x | 3.91x | 3.91x | 3.90x | 3.91x |
| | 10.0% | 4.17x | 4.17x | 4.16x | 4.16x | 4.17x |
| | 10.5% | 4.42x | 4.42x | 4.42x | 4.41x | 4.42x |
| | 11.0% | 4.68x | 4.68x | 4.67x | 4.66x | 4.67x |
| | 11.8% | 5.09x | 5.09x | 5.08x | 5.08x | 5.08x |
| | 12.0% | 5.19x | 5.18x | 5.18x | 5.17x | 5.18x |
| | 12.5% | 5.44x | 5.44x | 5.43x | 5.42x | 5.43x |
| | 13.0% | 5.69x | 5.69x | 5.68x | 5.68x | 5.68x |
| | 13.5% | 5.95x | 5.94x | 5.94x | 5.93x | 5.93x |

| Illustrative Interest Coverage | | | | | | |
|--------------------------------|----------------|-------|-------|-------|-------|-------|
| Cost of Funds | Debt to Equity | | | | | |
| | 0.87x | 0.90x | 0.95x | 1.00x | 1.10x | 1.25x |
| | 2.75% | 6.41x | 6.30x | 6.13x | 5.98x | 5.73x |
| | 3.00% | 5.89x | 5.79x | 5.64x | 5.50x | 5.27x |
| | 3.25% | 5.45x | 5.36x | 5.22x | 5.09x | 4.88x |
| | 3.50% | 5.08x | 4.99x | 4.86x | 4.74x | 4.54x |
| | 3.75% | 4.75x | 4.67x | 4.54x | 4.43x | 4.25x |
| | 4.00% | 4.46x | 4.39x | 4.27x | 4.17x | 3.99x |
| | 4.25% | 4.21x | 4.14x | 4.03x | 3.93x | 3.77x |
| | 4.50% | 3.99x | 3.92x | 3.82x | 3.72x | 3.57x |
| | 4.75% | 3.79x | 3.72x | 3.62x | 3.54x | 3.39x |
| | 5.00% | 3.61x | 3.55x | 3.45x | 3.37x | 3.23x |

| Illustrative Interest Coverage | | | | | | |
|--------------------------------|---------------|-------|-------|-------|-------|-------|
| All-in Yield (on Assets) | Cost of Funds | | | | | |
| | 2.75% | 3.25% | 3.75% | 4.25% | 4.75% | 5.25% |
| | 9.0% | 4.52x | 3.85x | 3.36x | 2.99x | 2.69x |
| | 9.5% | 4.84x | 4.12x | 3.60x | 3.19x | 2.88x |
| | 10.0% | 5.16x | 4.39x | 3.83x | 3.40x | 3.06x |
| | 10.5% | 5.47x | 4.66x | 4.06x | 3.60x | 3.24x |
| | 11.0% | 5.79x | 4.93x | 4.29x | 3.81x | 3.43x |
| | 11.8% | 6.30x | 5.36x | 4.67x | 4.14x | 3.72x |
| | 12.3% | 6.62x | 5.63x | 4.90x | 4.35x | 3.91x |
| | 12.8% | 6.94x | 5.90x | 5.13x | 4.55x | 4.09x |
| | 13.3% | 7.25x | 6.16x | 5.37x | 4.76x | 4.27x |
| | 13.8% | 7.57x | 6.43x | 5.60x | 4.96x | 4.46x |

| Illustrative Interest Coverage | | | | | | |
|--------------------------------|----------------|-------|-------|-------|-------|-------|
| Credit Losses (on Assets) | Debt to Equity | | | | | |
| | 0.87x | 0.90x | 0.95x | 1.00x | 1.10x | 1.25x |
| | 0.00% | 5.09x | 5.09x | 5.08x | 5.08x | 5.08x |
| | 0.25% | 5.07x | 5.07x | 5.06x | 5.06x | 5.06x |
| | 0.50% | 5.06x | 5.05x | 5.05x | 5.04x | 5.04x |
| | 0.75% | 5.04x | 5.03x | 5.03x | 5.02x | 5.02x |
| | 1.00% | 5.02x | 5.02x | 5.01x | 5.00x | 5.01x |
| | 1.25% | 5.00x | 5.00x | 4.99x | 4.99x | 4.99x |
| | 1.50% | 4.98x | 4.98x | 4.97x | 4.97x | 4.97x |
| | 1.75% | 4.96x | 4.96x | 4.95x | 4.95x | 4.95x |
| | 2.00% | 4.95x | 4.94x | 4.94x | 4.93x | 4.93x |
| | 2.25% | 4.93x | 4.92x | 4.92x | 4.91x | 4.92x |

We believe our senior secured floating rate portfolio and funding profile is well positioned for cycles

Note: Sensitivity tables presented utilize the illustrative unit economics from “Our Drivers of ROE” page, with certain inputs adjusted as indicated in the tables above

ILLUSTRATIVE ROE THROUGHOUT CYCLES

| Illustrative ROE | | | | | | |
|--------------------------|----------------|-------|-------|-------|-------|-------|
| All-in Yield (on Assets) | Debt to Equity | | | | | |
| | 0.87x | 0.90x | 0.95x | 1.00x | 1.10x | 1.25x |
| | 9.0% | 8.1% | 8.2% | 8.4% | 8.6% | 9.1% |
| | 9.5% | 8.9% | 9.0% | 9.2% | 9.5% | 10.0% |
| | 10.0% | 9.6% | 9.8% | 10.0% | 10.3% | 10.8% |
| | 10.5% | 10.4% | 10.6% | 10.8% | 11.1% | 11.7% |
| | 11.0% | 11.2% | 11.3% | 11.6% | 11.9% | 12.6% |
| | 11.8% | 12.4% | 12.6% | 13.0% | 13.3% | 14.0% |
| | 12.0% | 12.7% | 12.9% | 13.3% | 13.6% | 14.3% |
| | 12.5% | 13.5% | 13.7% | 14.1% | 14.4% | 15.2% |
| All-in Yield (on Assets) | 13.0% | 14.3% | 14.5% | 14.9% | 15.2% | 16.0% |
| | 13.5% | 15.0% | 15.3% | 15.7% | 16.1% | 16.9% |

| Illustrative ROE | | | | | | |
|--------------------------|---------------|-------|-------|-------|-------|-------|
| All-in Yield (on Assets) | Cost of Funds | | | | | |
| | 2.75% | 3.25% | 3.75% | 4.25% | 4.75% | 5.25% |
| | 9.0% | 8.7% | 8.3% | 8.0% | 7.6% | 6.9% |
| | 9.5% | 9.5% | 9.1% | 8.8% | 8.4% | 7.6% |
| | 10.0% | 10.3% | 9.9% | 9.5% | 9.2% | 8.4% |
| | 10.5% | 11.1% | 10.7% | 10.3% | 10.0% | 9.2% |
| | 11.0% | 11.9% | 11.5% | 11.1% | 10.7% | 10.0% |
| | 11.8% | 13.1% | 12.8% | 12.4% | 12.0% | 11.3% |
| | 12.3% | 13.9% | 13.5% | 13.2% | 12.8% | 12.4% |
| | 12.8% | 14.7% | 14.3% | 14.0% | 13.6% | 13.2% |
| All-in Yield (on Assets) | 13.3% | 15.5% | 15.1% | 14.7% | 14.4% | 13.6% |
| | 13.8% | 16.3% | 15.9% | 15.5% | 15.1% | 14.4% |

| Illustrative ROE | | | | | | |
|------------------|----------------|-------|-------|-------|-------|-------|
| Cost of Funds | Debt to Equity | | | | | |
| | 0.87x | 0.90x | 0.95x | 1.00x | 1.10x | 1.25x |
| | 2.75% | 13.0% | 13.1% | 13.4% | 13.7% | 14.3% |
| | 3.00% | 12.8% | 12.9% | 13.2% | 13.5% | 14.1% |
| | 3.25% | 12.6% | 12.8% | 13.0% | 13.3% | 13.9% |
| | 3.50% | 12.4% | 12.6% | 12.8% | 13.1% | 13.6% |
| | 3.75% | 12.2% | 12.4% | 12.6% | 12.9% | 13.4% |
| | 4.00% | 12.1% | 12.2% | 12.4% | 12.7% | 13.2% |
| | 4.25% | 11.9% | 12.0% | 12.2% | 12.5% | 12.9% |
| | 4.50% | 11.7% | 11.8% | 12.0% | 12.3% | 12.7% |
| Cost of Funds | 4.75% | 11.5% | 11.6% | 11.8% | 12.0% | 12.5% |
| | 5.00% | 11.3% | 11.5% | 11.6% | 11.8% | 12.3% |

| Illustrative ROE | | | | | | |
|---------------------------|----------------|-------|-------|-------|-------|-------|
| Credit Losses (on Assets) | Debt to Equity | | | | | |
| | 0.87x | 0.90x | 0.95x | 1.00x | 1.10x | 1.25x |
| | 0.00% | 12.4% | 12.6% | 13.0% | 13.3% | 14.0% |
| | 0.25% | 12.0% | 12.1% | 12.5% | 12.8% | 13.5% |
| | 0.50% | 11.5% | 11.7% | 12.0% | 12.3% | 12.9% |
| | 0.75% | 11.0% | 11.2% | 11.5% | 11.8% | 12.4% |
| | 1.00% | 10.6% | 10.7% | 11.0% | 11.3% | 11.9% |
| | 1.25% | 10.1% | 10.2% | 10.5% | 10.8% | 11.4% |
| | 1.50% | 9.6% | 9.8% | 10.0% | 10.3% | 10.8% |
| | 1.75% | 9.2% | 9.3% | 9.5% | 9.8% | 10.3% |
| Credit Losses (on Assets) | 2.00% | 8.7% | 8.8% | 9.1% | 9.3% | 9.8% |
| | 2.25% | 8.2% | 8.3% | 8.6% | 8.8% | 9.3% |

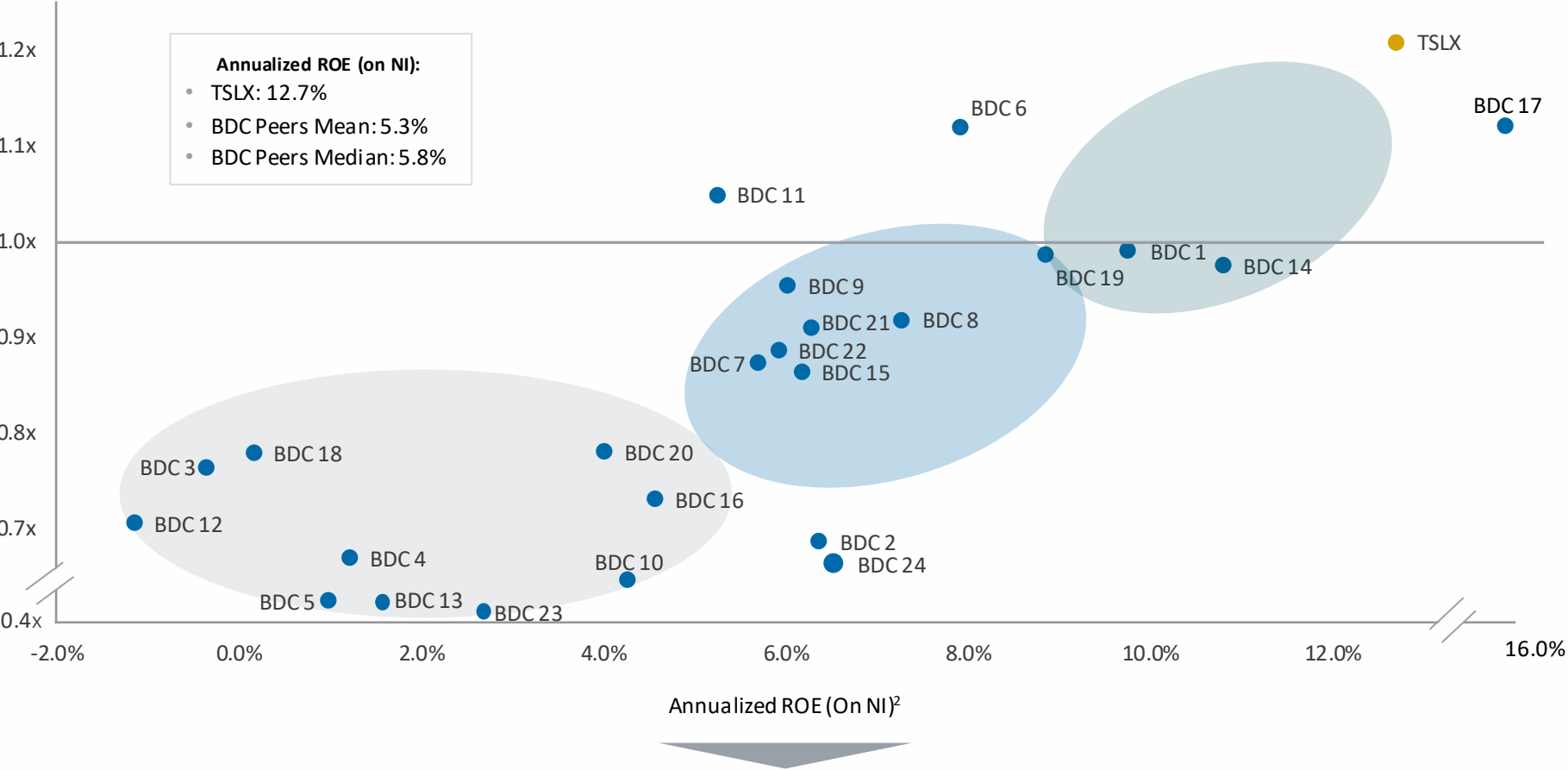
We believe our senior secured floating rate portfolio and funding profile is well positioned for cycles

Note: Sensitivity tables presented utilize the illustrative unit economics from “Our Drivers of ROE” page, with certain inputs adjusted as indicated in the tables above

SECTOR OBSERVATIONS

BDC SECTOR PRICE-TO-BOOK VS. ROE ON NET INCOME (SINCE TSLX IPO)

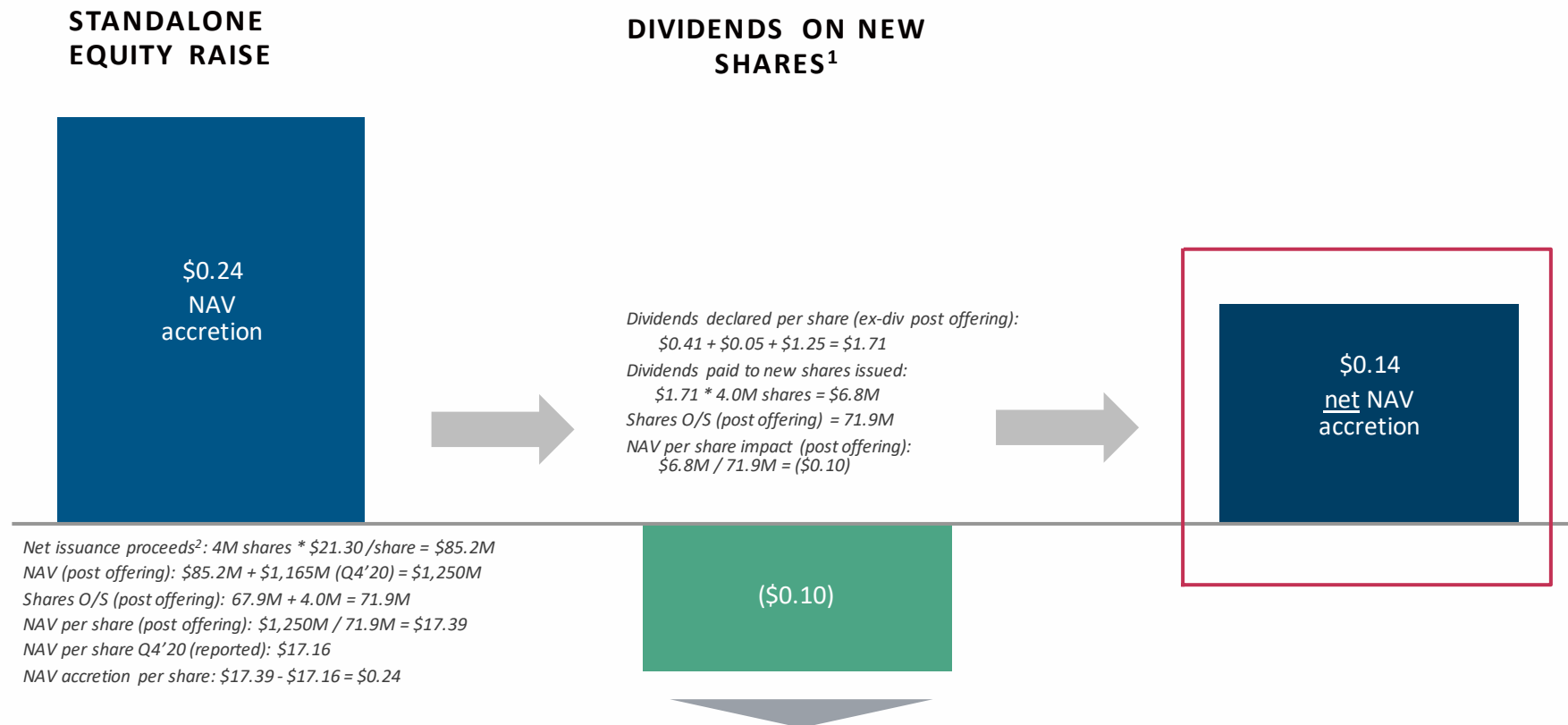
Average Price-to-Book¹



The market is generally efficient at pricing a manager’s ability to earn its cost of capital

1. Calculated as average daily price per share from 3/21/2014 to 2/24/2021 divided by NAV per share at 3/31/2014, or earliest reporting period for BDC peer who went public after 3/31/2014
2. Calculated as cumulative net income per share from 3/31/2014 to 12/31/2020 or latest available, divided by beginning NAV per share at 3/31/2014, adjusted for annual basis
Note: BDC Peers consist of 19 externally managed BDCs in the S&P BDC Index with total assets greater than \$750 million as of 6/30/20 financials, with the addition of BKCC, MRCC, OCSI, GAIN and SUNS
Source: SNL Financial

NAV IMPACT FROM EQUITY RAISE (FEB 2021)



- NAV accretive even after giving effect to the impact of dividends on new shares issued
- Small deal size at less than 6% of our pro forma market cap, compared to an average of 13% for recent follow-on issuances in the BDC sector³

Note: Numbers may not sum due to rounding

1. Assumes 0% Dividend Reinvestment Plan (DRIP) participation
2. Reflects proceeds to company post the underwriting discount, but prior to any offering expenses
3. Source: Raymond James, BDC Weekly Insights, data for "BDC Follow-ons 1/25/17 to 2/19/21"

ROE IMPACT FROM EQUITY RAISE (FEB 2021)

| Impact of \$1.25/share Special Dividend & Equity Raise | | | |
|--|--------------------------------------|--|---|
| | <u>TSLX</u> <u>Unit Economics</u> | | <u>TSLX Pro Forma</u> <u>Unit Economics</u> ⁽¹⁾ |
| Weighted Average Interest Rate of Portfolio ⁽²⁾ | 9.9% | | 9.9% |
| Amortization of upfront fees ⁽²⁾ | 0.3% | | 0.3% |
| Total Yield | 10.2% | | 10.2% |
| Impact of Additional Fees | 0.9% | | 0.9% |
| All-in Yield | 11.1% | | 11.1% |
| Cost of funds ⁽³⁾ | (3.38%) | | (3.38%) |
| Assumed Debt/Equity ⁽²⁾ | 0.96x | | 0.96x |
| Return on Equity | 18.5% | | 18.5% |
| Management Fees (1.50% of Assets below 1.0x leverage) ⁽⁴⁾ | (2.94%) | | (2.94%) |
| Operating Expenses (Incl. Excise Tax) ⁽⁵⁾ | (1.80%) | | (1.43%) |
| Levered Returns Before Incentive Fee | 13.77% | | 14.14% |
| Incentive Fee | (2.41%) | | (2.47%) |
| Credit Losses | 0.00% | | 0.00% |
| ROE on Net Income | 11.4% | | 11.7% |

When viewed in combination with our tax-driven special dividend, this equity raise: 1) allowed us to remain leverage neutral to year-end level (beneficial for our liquidity and capital position); and 2) was ROE-accretive given the reduction in excise tax as a result of the special dividend

1. Pro forma for payment of the \$1.25/share special dividend and public offering of 4,000,000 shares of common stock for total gross proceeds of approximately \$86.6 million

2. Based on figures for quarter ended Q4 2020. Debt / Equity is as of quarter-end Q4 2020, not adjusted for unsettled trade receivables / (payables)

3. Cost of funds reflect the annualized interest expense over average debt outstanding for the period ended 12/31/2020, giving effect to the swap-adjusted interest rate on our convertible notes and unsecured notes, additionally adjusted to reflect the \$300 million issuance of the 2026 unsecured notes that closed in February 2021, the net proceeds of which were used to pay down a portion of the outstanding revolver borrowings, and the February 2021 amendment to the revolving credit facility, which extended the maturity date to February 2026 and upsized the facility by \$150 million to \$1.485 billion

4. Management fees expressed as percentage of assets is 1.50% on all assets financed using leverage under 1.0x debt to equity and 1.0% (after waivers) on all assets financed using leverage over 1.0x debt to equity; 17.50% incentive fee

5. Reflects average operating expenses for the year ending 12/31/2020 in addition to excises taxes which totaled \$5.76mm or 0.27% of average total assets for the year ended 12/31/2020. The excise tax is based on the level of spillover income, which for the purposes of this analysis, is reduced by the proposed special distribution, resulting in a lower excise tax level



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