



First Quarter 2021

Earnings Presentation

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Financial and Portfolio Highlights

Financial Highlights

<i>(all per share amounts, excluding net asset value per share, are basic and diluted)</i>	Q1-21	Q4-20	Q1-20
Core EPS ^{*(1)}	\$ 0.43	\$ 0.54	\$ 0.41
Net Investment Income Per Share	\$ 0.33	\$ 0.54	\$ 0.54
Net Realized Gains (Losses) Per Share	\$ 0.04	\$ (0.43)	\$ 0.08
Net Unrealized Gains (Losses) Per Share	\$ 0.50	\$ 0.78	\$ (2.04)
GAAP Net Income (Loss) Per Share	\$ 0.87	\$ 0.89	\$ (1.42)
Net Asset Value Per Share	\$ 17.45	\$ 16.97	\$ 15.58

Portfolio Highlights

<i>(dollar amounts in millions)</i>	Q1-21	Q4-20	Q1-20
Gross Commitments ⁽²⁾	\$ 1,750	\$3,858	\$ 1,272
Exits of Commitments ⁽³⁾	\$ 2,138	\$3,032	\$ 918
Total Fair Value of Investments	\$15,429	\$15,515	\$14,370
Weighted Average Yield of Debt & Other Income Producing Securities at Amortized Cost ⁽⁴⁾	8.9 %	9.1 %	8.9 %
Weighted Average Yield on Total Investments at Amortized Cost ⁽⁵⁾	7.9 %	8.0 %	7.9 %

Note: Endnotes begin on slide 24.

* See slide 23 hereof for reconciliations of basic and diluted Core EPS to GAAP net income (loss) per share, the most directly comparable GAAP financial measure.

Selected Historical Financial Information

<i>(dollar amounts in millions, except per share data and stock prices)</i>	As of and for the Three Months Ended				
	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20
Core EPS – Basic and Diluted ⁽¹⁾	\$ 0.43	\$ 0.54	\$ 0.39	\$ 0.39	\$ 0.41
Net Investment Income Per Share – Basic and Diluted	\$ 0.33	\$ 0.54	\$ 0.39	\$ 0.39	\$ 0.54
Net Realized and Unrealized Gains (Losses) Per Share – Basic and Diluted	\$ 0.54	\$ 0.35	\$ 0.65	\$ 0.26	\$ (1.96)
GAAP Net Income (Loss) Per Share – Basic and Diluted	\$ 0.87	\$ 0.89	\$ 1.04	\$ 0.65	\$ (1.42)
Dividend Declared and Payable Per Share	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40
Stockholders' Equity	\$ 7,632	\$ 7,176	\$ 6,963	\$ 6,691	\$ 6,583
Net Asset Value Per Share	\$ 17.45	\$ 16.97	\$ 16.48	\$ 15.83	\$ 15.58
Debt/Equity Ratio	1.06x	1.20x	1.10x	1.12x	1.26x
Debt/Equity Ratio, Net of Available Cash ⁽⁶⁾	1.02x	1.17x	1.07x	1.08x	1.19x
Unsecured Debt to Total Debt	81.1 %	67.2 %	75.5 %	61.7 %	55.8 %
Weighted Average Stated Interest on Debt ⁽⁷⁾	3.3 %	3.4 %	3.5 %	3.3 %	3.4 %
Net Interest and Dividend Margin ⁽⁸⁾	6.5 %	6.5 %	6.7 %	7.0 %	7.3 %
Ratio of Earnings to Fixed Charges ⁽⁹⁾	3.2	3.9	3.2	3.2	3.2
Market Capitalization					
Principal Debt	\$ 8,061	\$ 8,582	\$ 7,646	\$ 7,488	\$ 8,274
Equity	8,183	7,142	5,896	6,107	4,556
Total Market Capitalization	\$ 16,244	\$ 15,724	\$ 13,542	\$ 13,595	\$ 12,830
Common Stock Data:					
High Price during the period	\$ 19.23	\$ 17.28	\$ 15.02	\$ 16.20	\$ 19.23
Low Price during the period	\$ 16.51	\$ 13.82	\$ 13.27	\$ 9.13	\$ 8.08
Closing Price	\$ 18.71	\$ 16.89	\$ 13.95	\$ 14.45	\$ 10.78

*See slide 23 hereof for reconciliations of basic and diluted Core EPS to GAAP net income (loss) per share, the most directly comparable GAAP financial measure

Selected Historical Financial Information (cont'd)

<i>(dollar amounts in millions)</i>	As of				
	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20
Investments at Fair Value	\$ 15,429	\$ 15,515	\$ 14,358	\$ 13,842	\$ 14,370
Number of Portfolio Companies ⁽¹⁰⁾	350	350	347	352	355
Asset Class (at fair value):					
First Lien Senior Secured Loans ⁽¹¹⁾	47 %	46 %	45 %	44 %	48 %
Second Lien Senior Secured Loans	25 %	26 %	28 %	30 %	28 %
Senior Direct Lending Program ⁽¹²⁾	7 %	7 %	7 %	6 %	6 %
Senior Subordinated Loans	6 %	6 %	7 %	7 %	6 %
Preferred Equity	6 %	6 %	5 %	5 %	5 %
Other Equity	9 %	9 %	8 %	8 %	7 %
Interest Rate Type (at fair value)					
% Floating Rate ⁽¹³⁾	82 %	84 %	83 %	84 %	85 %
% Fixed Rate	6 %	5 %	5 %	5 %	5 %
% Equity and Other Non-Interest Earning	12 %	11 %	12 %	11 %	10 %
Yields:					
Weighted Avg. Yield on Debt and Other Income Producing Securities at Amortized Cost ⁽⁴⁾	8.9 %	9.1 %	9.1 %	8.9 %	8.9 %
Weighted Avg. Yield on Debt and Other Income Producing Securities at Fair Value ⁽⁴⁾	9.1 %	9.2 %	9.4 %	9.3 %	9.4 %
Weighted Average Yield on Total Investments at Amortized Cost ⁽⁵⁾	7.9 %	8.0 %	7.8 %	7.7 %	7.9 %
Weighted Average Yield on Total Investments at Fair Value ⁽⁵⁾	8.0 %	8.2 %	8.2 %	8.3 %	8.5 %

Selected Historical Financial Information (cont'd)

<i>(dollar amounts in millions)</i>	For the Three Months Ended					
	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20	
Commitments:						
Gross Commitments ⁽²⁾	\$ 1,750	\$ 3,858	\$ 706	\$ 867	\$ 1,272	
Exits of Commitments ⁽³⁾	(2,138)	(3,032)	(352)	(1,484)	(918)	
Net Commitments ⁽¹⁴⁾	\$ (388)	\$ 826	\$ 354	\$ (617)	\$ 354	
Gross Commitments Information:						
Number of Transactions	39	59	24	22	37	
Weighted Average Commitment Term in Months	69	78	58	55	70	
Average Commitment in Period	\$ 45	\$ 65	\$ 29	\$ 39	\$ 34	
Fundings:						
Gross Fundings	\$ 1,551	\$ 3,396	\$ 632	\$ 953	\$ 1,760	
Net Fundings ⁽¹⁴⁾	\$ (366)	\$ 683	\$ 151	\$ (702)	\$ 752	
Portfolio Turnover	0.10	0.18	0.03	0.07	0.07	

Quarterly Operating Results

<i>(amounts in millions, except per share data)</i>	For the Three Months Ended				
	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20
Investment income	\$ 390	\$ 440	\$ 352	\$ 350	\$ 369
Expenses	241	204	182	180	132
Net investment income before income taxes	149	236	170	170	237
Income tax expense, including excise tax	5	7	4	5	3
Net investment income	144	229	166	165	234
Net realized and unrealized gains (losses)	229	149	275	112	(846)
Net Income (Loss)	\$ 373	\$ 378	\$ 441	\$ 277	\$ (612)
Per Share:					
Core EPS - Basic and Diluted ⁽¹⁾	\$ 0.43	\$ 0.54	\$ 0.39	\$ 0.39	\$ 0.41
Net Income (Loss) - Basic and Diluted	\$ 0.87	\$ 0.89	\$ 1.04	\$ 0.65	\$ (1.42)
Dividends Declared and Payable	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40	\$ 0.40
Weighted average shares of common stock outstanding - Basic and Diluted	429	423	423	423	430
Common shares outstanding at end of period	437	423	423	423	423

* See slide 23 hereof for reconciliations of basic and diluted Core EPS to GAAP net income (loss) per share, the most directly comparable GAAP financial measure

Quarterly Operating Results Detail

(amounts in millions)	For the Three Months Ended					
	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20	
Net Investment Income Before Income Taxes:						
Investment Income:						
Interest income from investments	\$ 289	\$ 294	\$ 280	\$ 287	\$ 298	
Capital structuring service fees	38	93	12	16	28	
Dividend income	52	40	37	36	36	
Other income	11	13	23	11	7	
Total investment income	390	440	352	350	369	
Expenses:						
Interest and credit facility fees	86	82	77	76	82	
Base management fees	58	56	53	53	55	
Income based fees	46	57	42	41	44	
Capital gains incentive fees*	42	—	—	—	(58)	
Administrative fees	4	3	3	3	4	
Other general and administrative	5	6	7	7	5	
Total operating expenses	241	204	182	180	132	
Net investment income before income taxes	149	236	170	170	237	
Income tax expense, including excise tax	5	7	4	5	3	
Net investment income	\$ 144	\$ 229	\$ 166	\$ 165	\$ 234	

* Accrued in accordance with GAAP. As of March 31, 2021, Ares Capital had no incentive fees payable related to capital gains under GAAP. The actual amount of any capital gains incentive fee due under Ares Capital's investment advisory and management agreement (the "Investment Advisory and Management Agreement") with its investment adviser, Ares Capital Management, is only determined annually at the end of each calendar year and may be different from the amount accrued under GAAP. No capital gains incentive fee were actually payable under the Investment Advisory and Management Agreement for any periods presented.

Quarterly Gain/Loss Detail

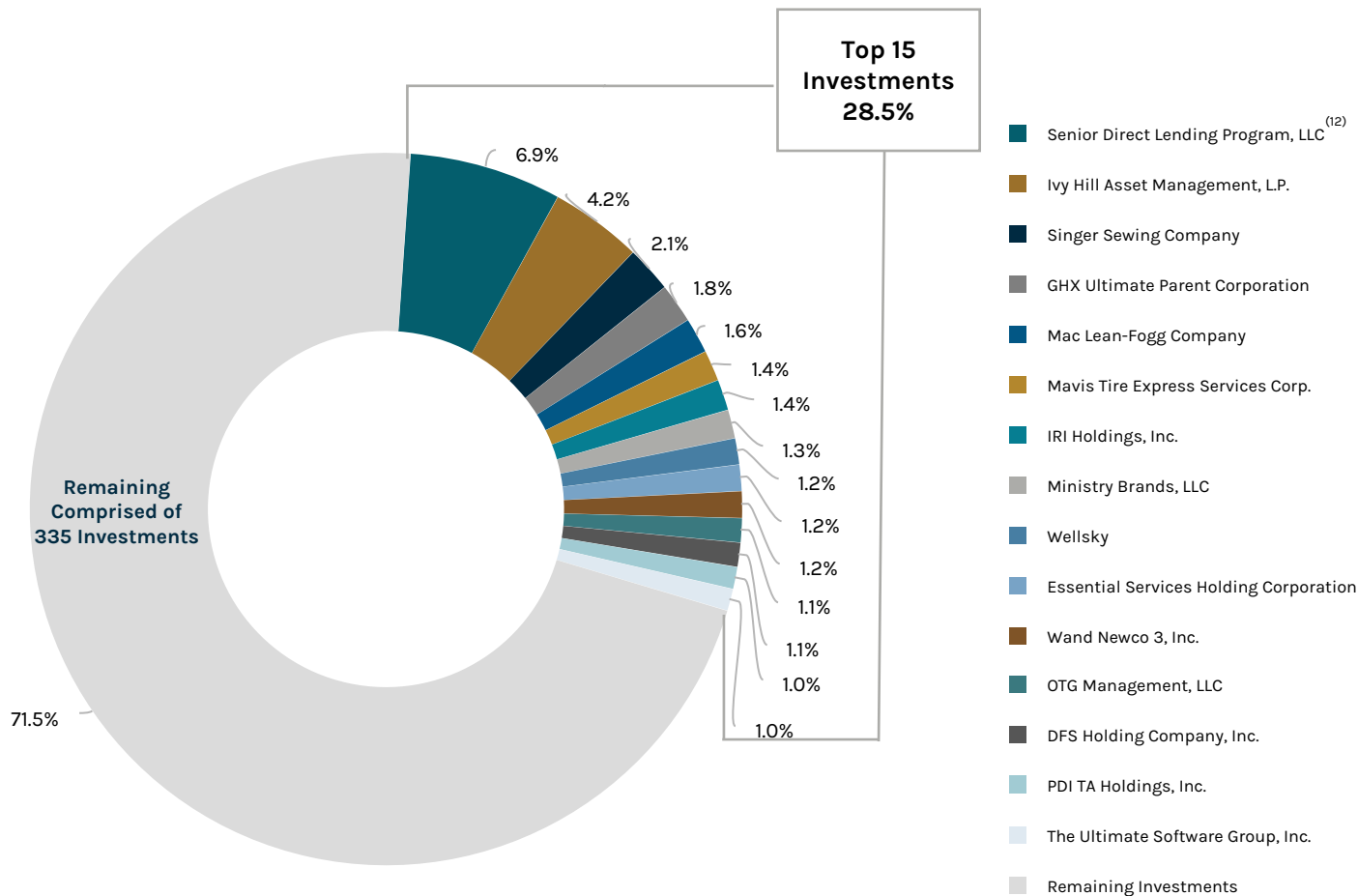
(amounts in millions)	For the Three Months Ended				
	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20
Net Realized and Unrealized Gains (Losses):					
Realized gains (losses) on investments:					
Gains	\$ 80	\$ 38	\$ 9	\$ 33	\$ 47
Losses	(13)	(208)	(32)	(23)	(12)
Net realized gains (losses) on investments	67	(170)	(23)	10	35
Unrealized gains (losses) on investments:					
Unrealized appreciation	292	275	375	311	37
Unrealized depreciation	(48)	(138)	(104)	(237)	(912)
Net unrealized gains (losses) on investments	244	137	271	74	(875)
Net unrealized (appreciation) depreciation reversed related to net realized gains or losses on investments	(39)	195	35	33	(14)
Total net unrealized gains (losses) on investments	205	332	306	107	(889)
Net realized and unrealized gains (losses) on foreign currency and other transactions	—	(13)	(8)	(5)	8
Realized loss on extinguishment of debt	(43)	—	—	—	—
Net realized and unrealized gains (losses)	\$ 229	\$ 149	\$ 275	\$ 112	(846)

Quarterly Balance Sheets

(amounts in millions, except per share data)	As of				
	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20
ASSETS					
Investments at fair value	\$ 15,429	\$ 15,515	\$ 14,358	\$ 13,842	\$ 14,370
Cash and cash equivalents	337	254	233	278	460
Restricted cash	19	72	43	23	655
Interest receivable	98	112	124	116	111
Other assets	100	94	95	101	93
Operating lease right-of-use asset	36	38	85	90	94
Receivable from participants	—	38	—	61	—
Receivable for open trades	2	73	12	6	23
Total assets	\$ 16,021	\$ 16,196	\$ 14,950	\$ 14,517	\$ 15,806
LIABILITIES					
Debt	\$ 8,005	\$ 8,491	\$ 7,550	\$ 7,398	\$ 8,179
Payable to participants	19	72	43	23	655
Base management fees payable	58	56	53	53	55
Income based fees payable	46	140	83	41	44
Capital gains incentive fees payable*	42	—	—	—	—
Interest and facility fees payable	47	83	48	63	38
Accounts payable and other liabilities	97	113	101	114	122
Payable for open trades	19	6	1	21	11
Operating lease liabilities	56	59	108	113	119
Total liabilities	8,389	9,020	7,987	7,826	9,223
STOCKHOLDERS' EQUITY					
Common stock	—	—	—	—	—
Capital in excess of par value	7,914	7,656	7,660	7,660	7,660
Accumulated overdistributed earnings	(282)	(480)	(697)	(969)	(1,077)
Total stockholders' equity	7,632	7,176	6,963	6,691	6,583
Total liabilities and stockholders' equity	\$ 16,021	\$ 16,196	\$ 14,950	\$ 14,517	\$ 15,806
NET ASSETS PER SHARE	\$ 17.45	\$ 16.97	\$ 16.48	\$ 15.83	\$ 15.58

* Accrued in accordance with GAAP. No capital gains incentive fees were actually payable under the Ares Capital's Investment Advisory and Management Agreement for any periods presented.

Investment Portfolio by Issuer as of March 31, 2021*

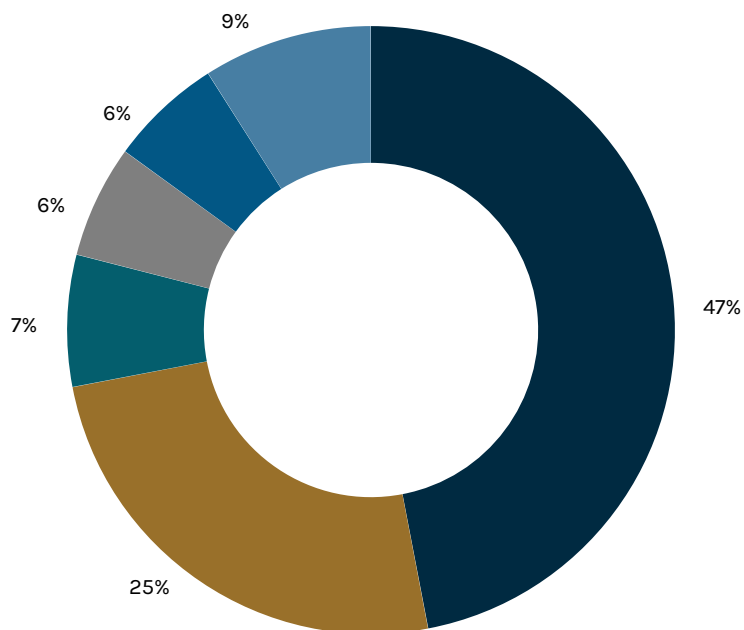


Diversified \$15.4 billion portfolio with 350 investments

* At fair value

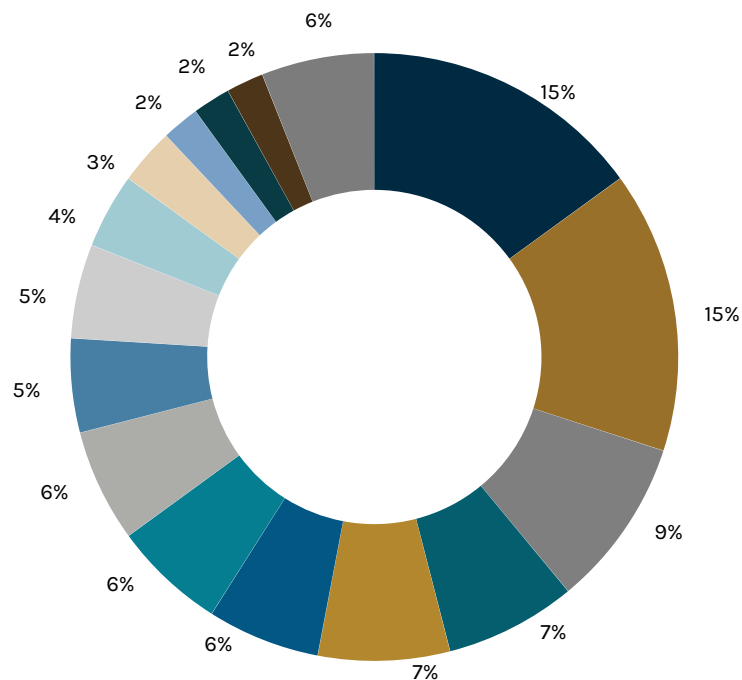
Investment Portfolio as of March 31, 2021*

Asset Class



- First Lien Senior Secured Loans⁽¹¹⁾
- Second Lien Senior Secured Loans
- Senior Direct Lending Program⁽¹²⁾
- Senior Subordinated Loans
- Preferred Equity
- Other Equity

Industry

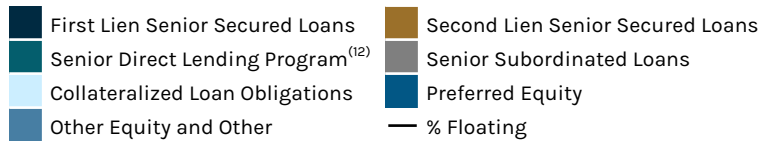
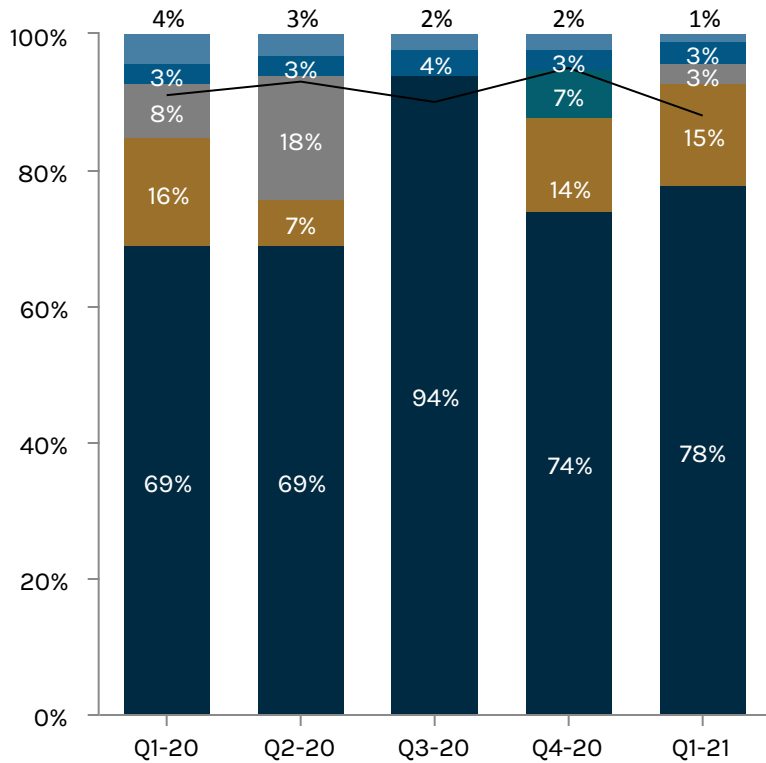


- Software & Services
- Healthcare Services
- Commercial & Professional Services
- Senior Direct Lending Program⁽¹²⁾
- Consumer Durables & Apparel
- Consumer Services
- Automobiles & Components
- Diversified Financials
- Power Generation
- Insurance Services
- Capital Goods
- Energy
- Food & Beverage
- Retailing & Distribution
- Materials
- Other

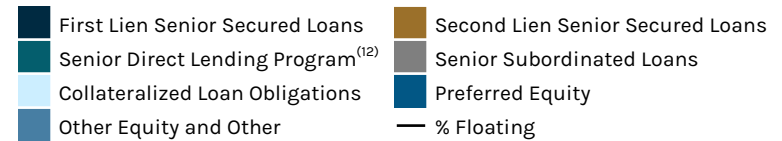
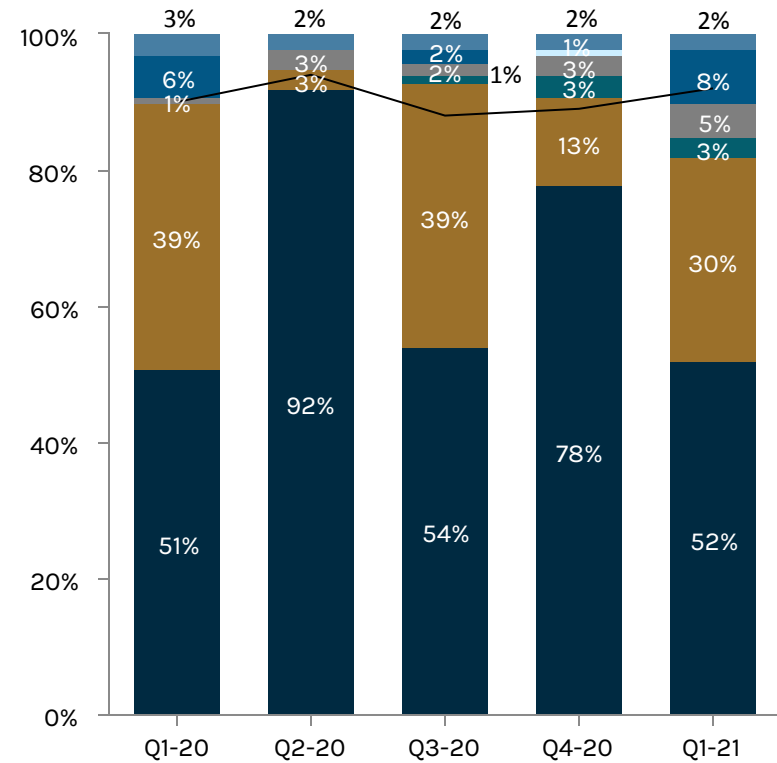
* At fair value

Portfolio Activity

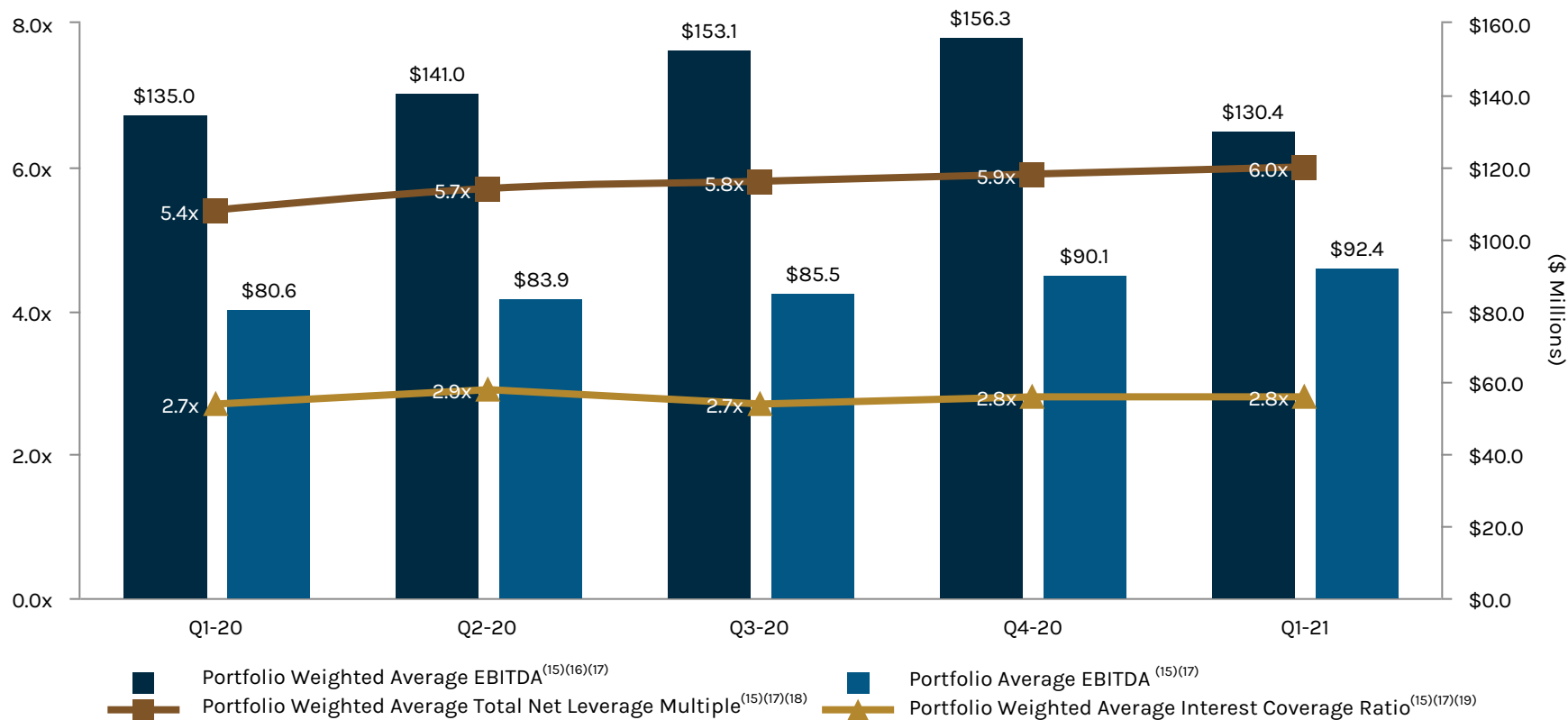
Gross Commitments by Asset Class



Exits of Commitments by Asset Class



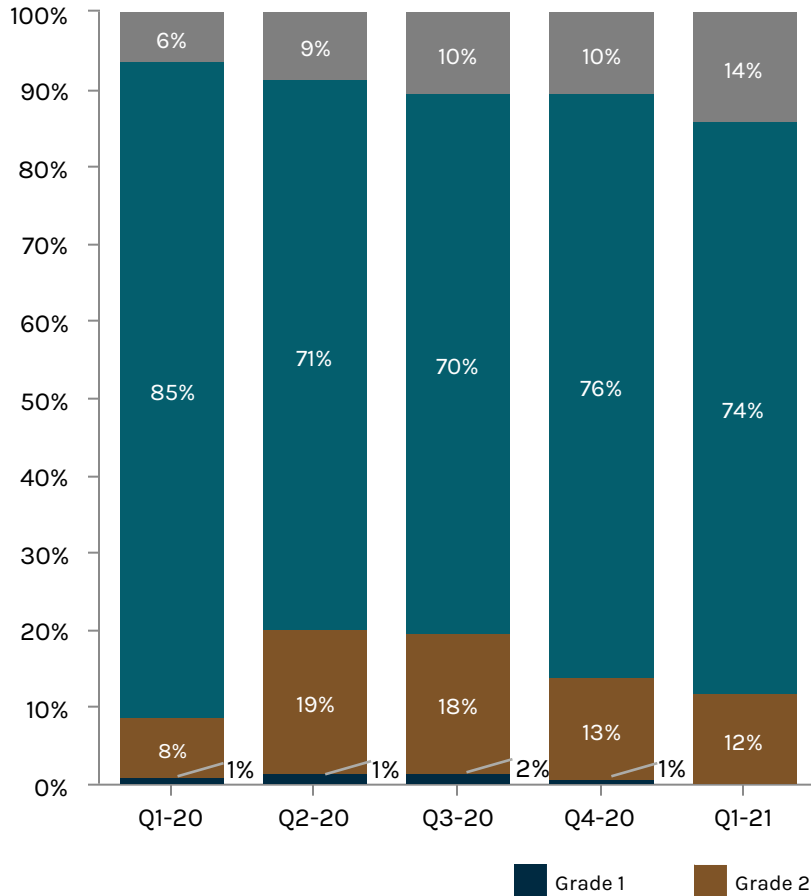
Portfolio Company EBITDA and Credit Statistics



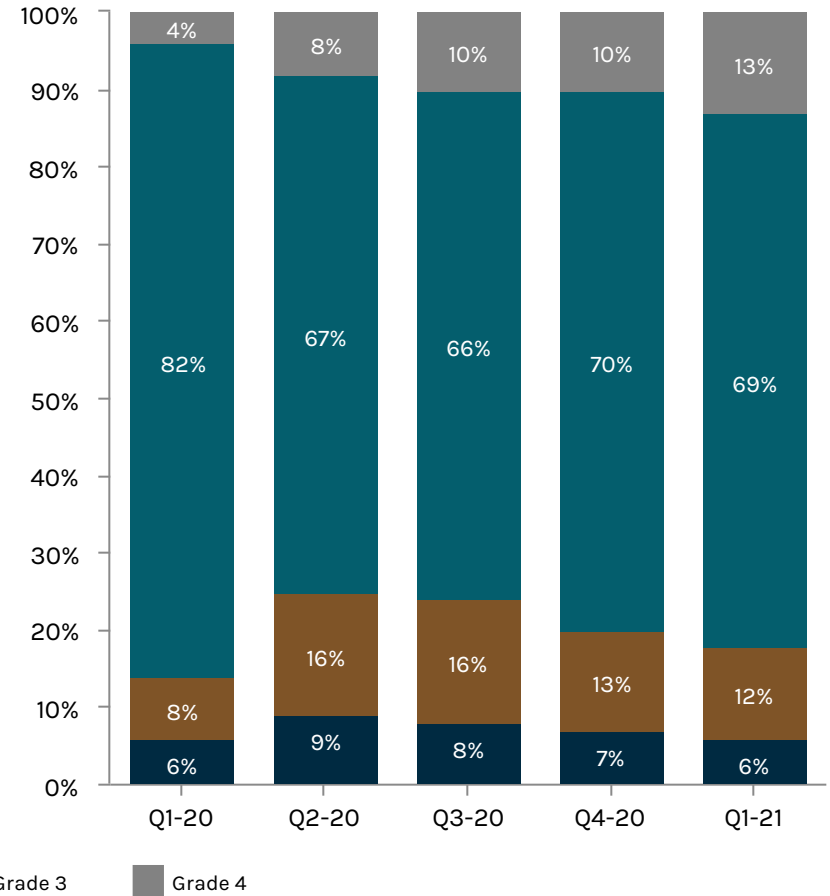
* For the portfolio companies included in the portfolio weighted average EBITDA data above (subject to additional exclusions described in the following sentence), the weighted average EBITDA growth rate as of Q1-21 was approximately 7% on a comparable basis for the most recently reported LTM period versus prior year LTM period. In addition to those portfolio companies excluded as noted, this calculation excludes 31 companies where prior year comparable data was not available.⁽²⁰⁾

Portfolio By Grade⁽²¹⁾

% by Fair Value

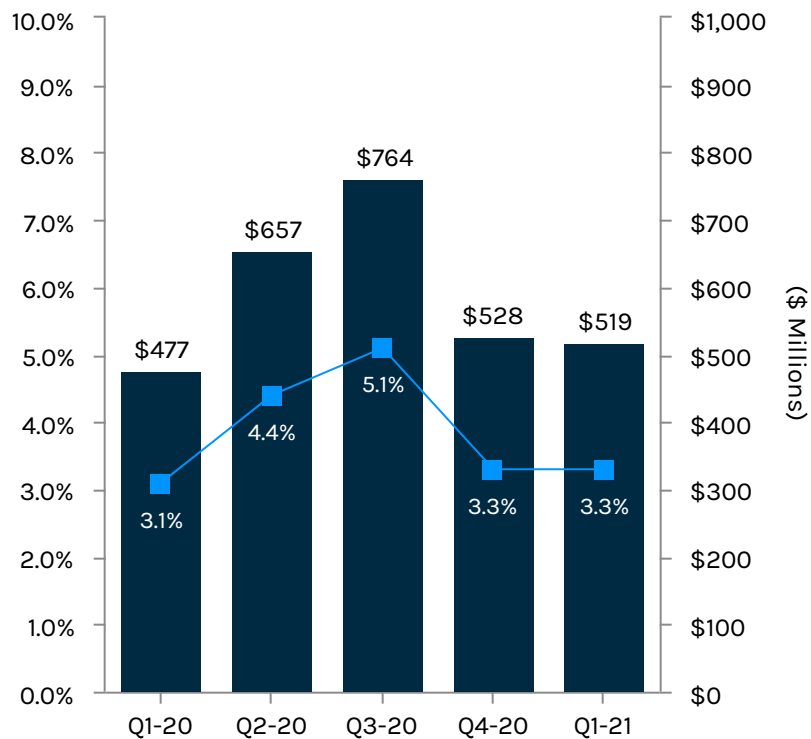


% by Number of Companies

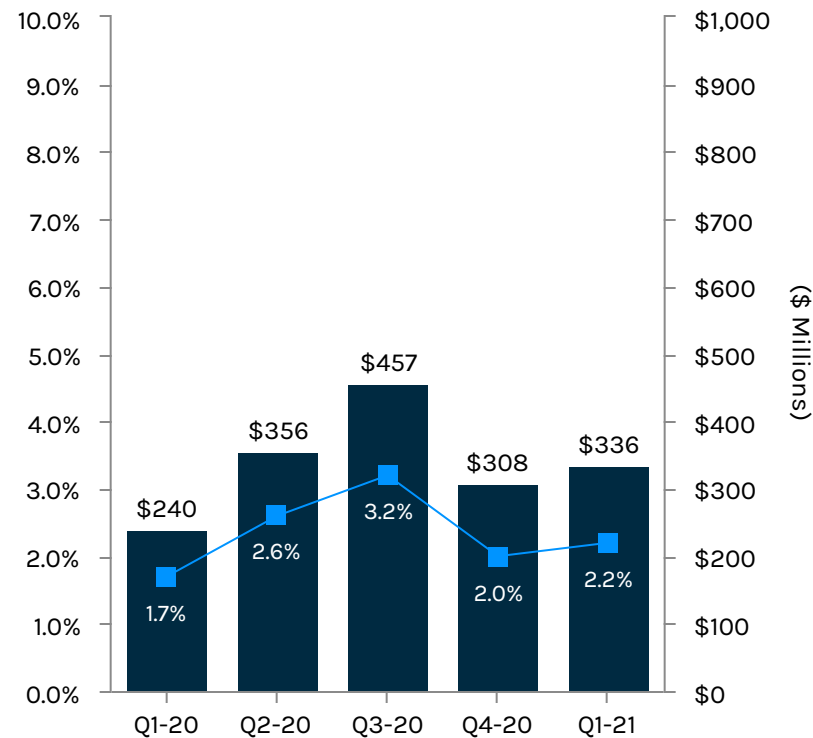


Loans on Non-Accrual Status

Amortized Cost



Fair Value



Investments on Non-Accrual Status
 Percentage of Total Investment Portfolio

Investment Activity from April 1, 2021 through April 22, 2021

Ares Capital made approximately \$971 million of new investment commitments

- 76% were in first lien senior secured loans, 13% were in second lien senior secured loans, 7% were in preferred equity securities, 2% were in senior subordinated loans and 2% were in other equity securities
- 93% were floating rate, 5% were fixed rate and 2% were non-interest bearing
- Weighted average yield of debt and other income producing securities funded at amortized cost of 7.4%

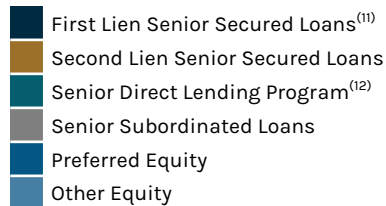
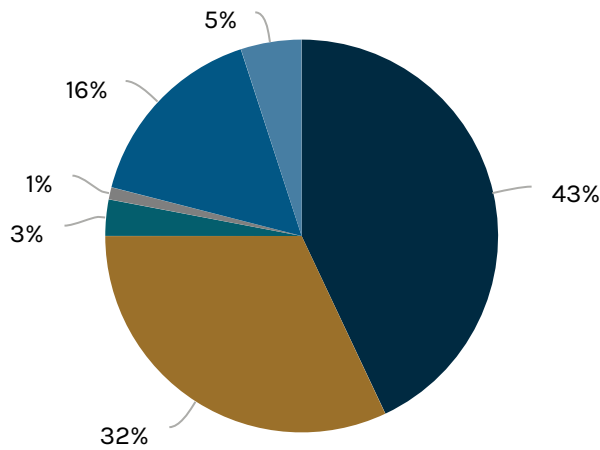
Ares Capital exited approximately \$432 million of investment commitments

- 58% were first lien senior secured loans, 17% were subordinated certificates of the SDLP, 14% were preferred equity securities, 10% were second lien senior secured loans and 1% were other equity securities
- 99% were floating rate and 1% were non-interest bearing
- Weighted average yield of debt and other income producing securities exited or repaid at amortized cost was 8.6%
- Weighted average yield on total investments exited or repaid during the period at amortized cost was 8.5%
- Total net realized gains of approximately \$5 million
- Includes \$51 million of loans sold by Ares Capital to Ivy Hill Asset Management, L.P. ("IHAM") or certain vehicles managed by IHAM, resulting in net realized losses of approximately \$1 million

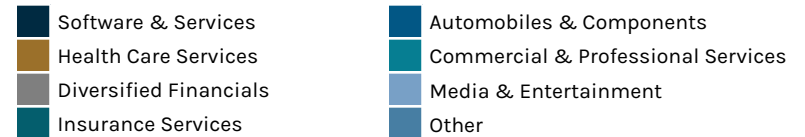
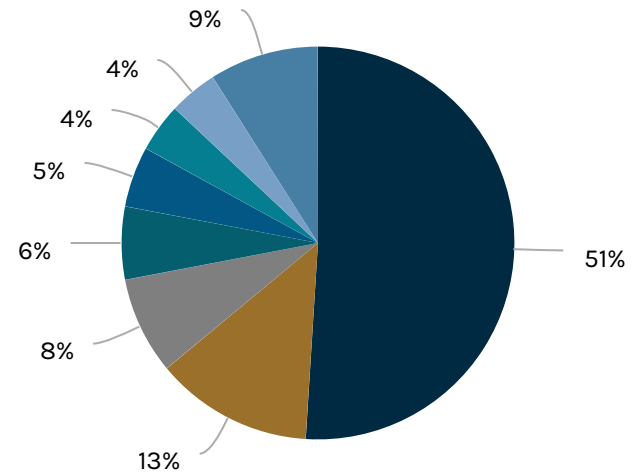
Backlog and Pipeline

- As of April 22, 2021, Ares Capital had a backlog and pipeline of approximately \$2.1 billion and \$310 million, respectively⁽²²⁾
- The following is a breakdown of the backlog and pipeline by asset class and by industry

Asset Class



Industry



Debt Summary

(dollar amounts in millions)	As of 12/31/20			As of 3/31/21			Weighted Average Stated Interest Rate ⁽²⁷⁾	Interest Rate	Maturity Date
	Aggregate Principal Amount Committed/Outstanding ⁽²⁴⁾	Principal Amount Outstanding	Carrying Value of Outstanding Debt	Aggregate Principal Amount Committed/Outstanding ⁽²⁴⁾	Principal Amount Outstanding	Carrying Value of Outstanding Debt			
Secured Revolving Facilities⁽²³⁾:									
Revolving Credit Facility	\$ 3,617	\$ 1,180	\$ 1,180	\$ 3,963	\$ 817	\$ 817	1.889 %	LIBOR + 1.75% ⁽²⁸⁾	March 2026 ⁽²⁸⁾
Revolving Funding Facility	1,525	1,028	1,028	1,525	703	703	2.119 %	LIBOR + 2.00% ⁽²⁹⁾	January 2025 ⁽²⁹⁾
SMBC Funding Facility	725	453	453	725	—	—	— %	LIBOR + 1.75% ⁽³⁰⁾	September 2024 ⁽³⁰⁾
BNP Funding Facility	300	150	150	300	—	—	— %	LIBOR + 2.88% ⁽³¹⁾	June 2025 ⁽³¹⁾
Subtotal	6,167	2,811	2,811	6,513	1,520	1,520	1.995 %		
Unsecured Notes Payable:									
2022 Notes	600	600	598 ⁽²⁵⁾	600	600	599 ⁽²⁵⁾	3.625 %		January 2022
2022 Convertible Notes	388	388	383 ⁽²⁵⁾	388	388	384 ⁽²⁵⁾	3.750 %		February 2022
2023 Notes	750	750	747 ⁽²⁵⁾	750	750	748 ⁽²⁵⁾	3.500 %		February 2023
2024 Convertible Notes	403	403	392 ⁽²⁵⁾	403	403	393 ⁽²⁵⁾	4.625 %		March 2024
2024 Notes	900	900	896 ⁽²⁵⁾	900	900	896 ⁽²⁵⁾	4.200 %		June 2024
March 2025 Notes	600	600	595 ⁽²⁵⁾	600	600	596 ⁽²⁵⁾	4.250 %		March 2025
July 2025 Notes	750	750	742 ⁽²⁵⁾	750	750	742 ⁽²⁵⁾	3.250 %		July 2025
January 2026 Notes	1,150	1,150	1,141 ⁽²⁵⁾	1,150	1,150	1,141 ⁽²⁵⁾	3.875 %		January 2026
July 2026 Notes	—	—	—	1,000	1,000	986 ⁽²⁵⁾	2.150 %		July 2026
2047 Notes	230	230	186 ⁽²⁶⁾	—	—	—			
Subtotal	5,771	5,771	5,680	6,541	6,541	6,485	3.592 %		
Total Debt	\$ 11,938	\$ 8,582	\$ 8,491	\$ 13,054	\$ 8,061	\$ 8,005	3.290 %		

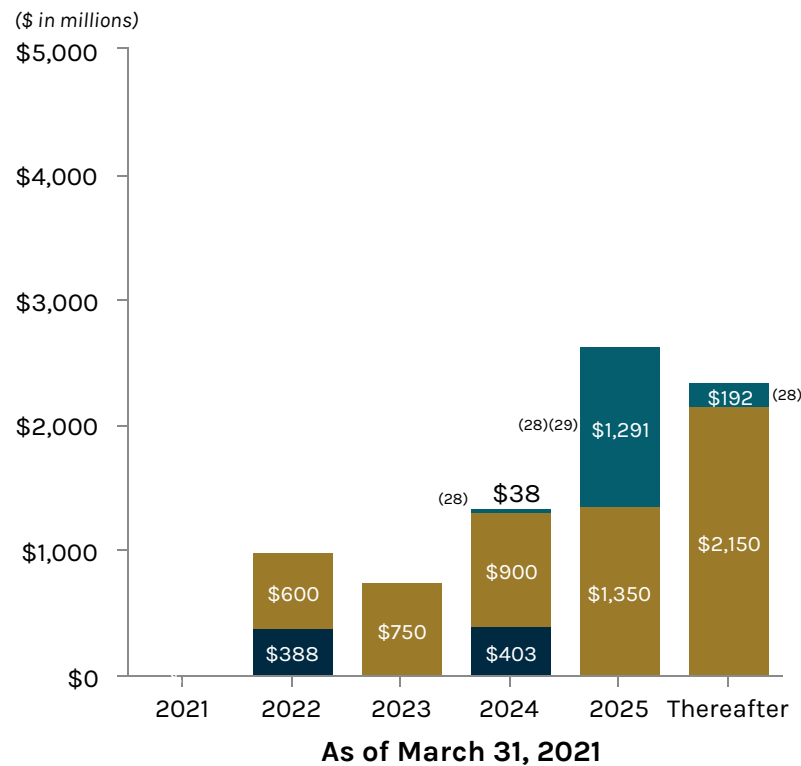
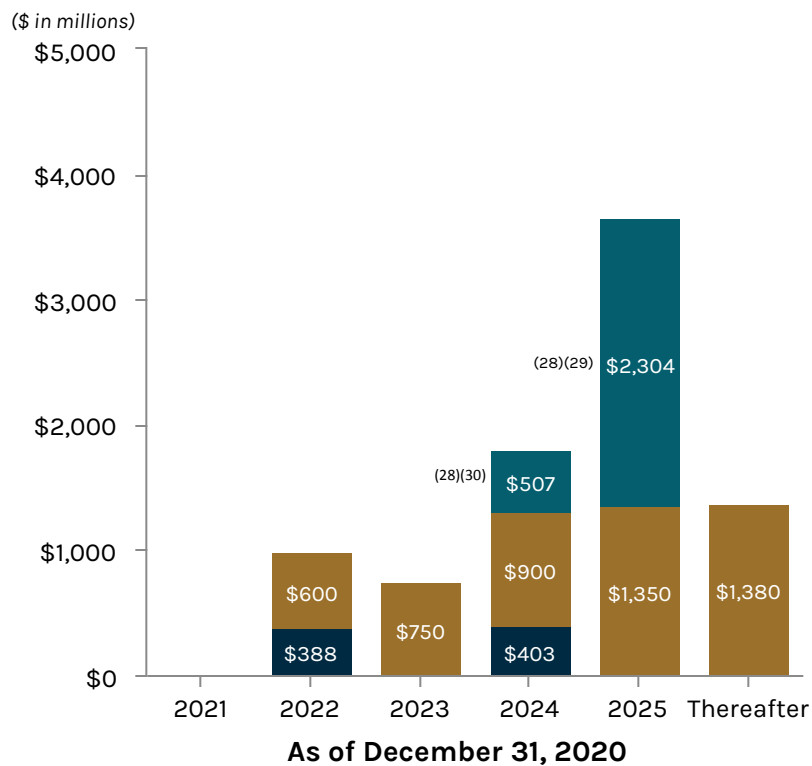
Floating and Fixed rate debt as of March 31, 2021

Debt (dollar amounts in millions)	Principal Amount Outstanding	Weighted Average Stated Interest Rate ⁽²⁷⁾	Weighted Average Remaining Maturity** (in years)
Floating	\$ 1,520	2.00 %	3.84
Fixed ⁽²⁸⁾	6,541	3.59 %	3.63
Total	\$ 8,061	3.29 %	3.65

* Represents the weighted average remaining maturity of outstanding debt as of March 31, 2021

Debt Summary

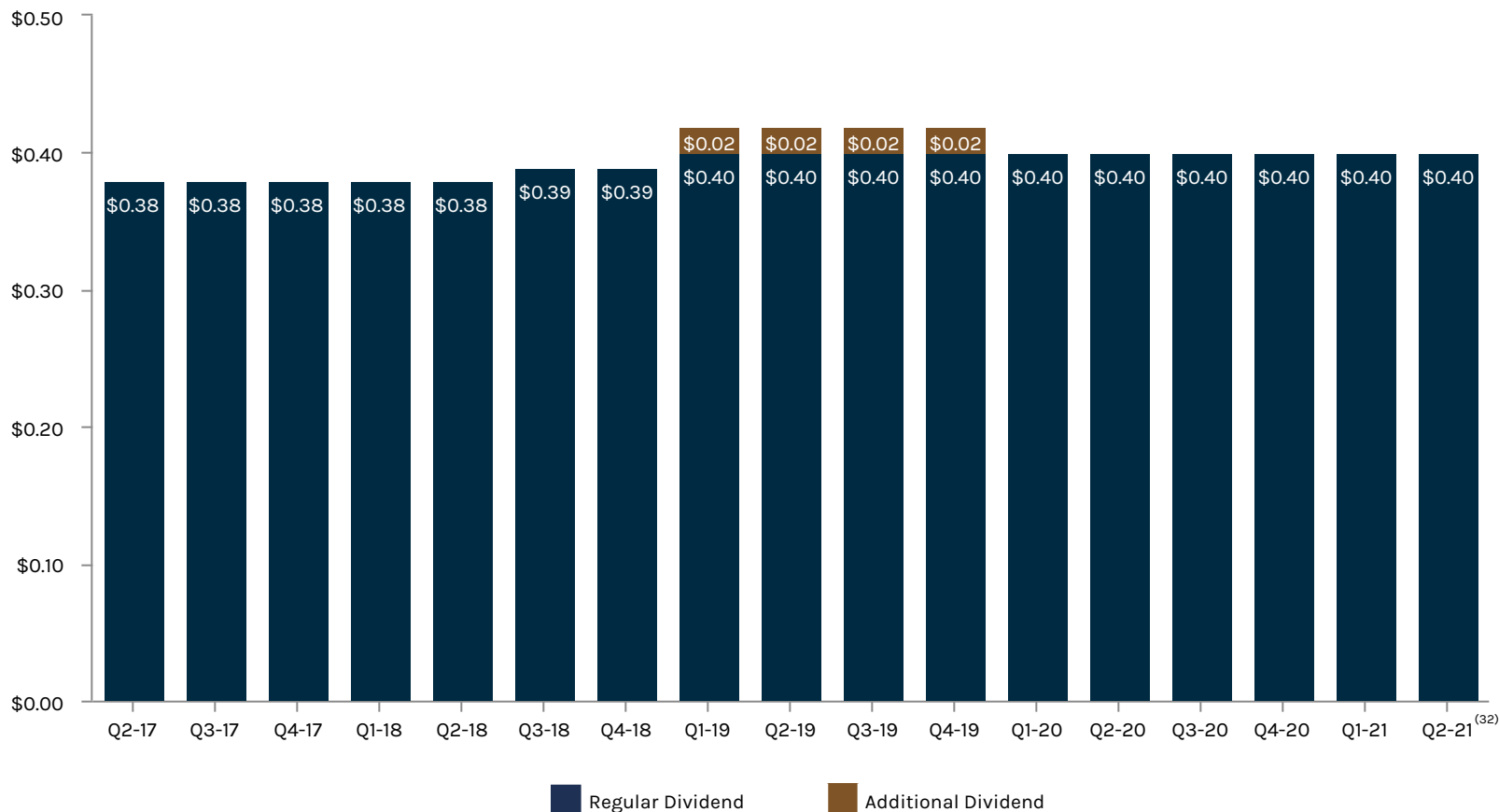
Debt Maturities*



Convertible Unsecured Notes
 Other Unsecured Notes
 Secured Revolving Facilities

* Represents the total aggregate principal amount outstanding due on the stated maturity date

Quarterly Dividends



- ARCC estimates that it will carry forward excess taxable income of approximately \$454 million⁽³³⁾ or \$1.04 per share from 2020 for distribution to stockholders in 2021

Corporate Data

Board of Directors

MICHAEL AROUGHETI
Co-Chairman and Executive Vice
President of Ares Capital Corporation
Co-Founder, Chief Executive Officer and
President of Ares

STEVE BARTLETT
Strategic Independent Consultant

ANN TORRE BATES
Former Executive Vice President, Chief
Financial Officer and Treasurer of NHP,
Inc.

KIPP DEVEER
Director and Chief Executive Officer of
Ares Capital Corporation
Partner, Head of Credit Group

DANIEL KELLY, JR.
Former Partner of Davis Polk &
Wardwell LLP

STEVEN MCKEEVER
Founder and Chief Executive Officer of
Hidden Beach Recordings

MICHAEL PARKS
Chief Executive Officer and President of
FlyawayHomes

ROBERT ROSEN
Strategic Adviser to Ares Private Equity
Group

BENNETT ROSENTHAL
Co-Chairman of Ares Capital
Corporation
Co-Founder and Partner of Ares
Co-Chairman of Ares Private Equity
Group

ERIC SIEGEL
Retired Partner of Apollo Advisors, L.P.

Investment Committee

MARK AFFOLTER
Partner, Co-Head of U.S. Direct Lending

MICHAEL AROUGHETI
Co-Chairman and Executive Vice
President of Ares Capital Corporation
Co-Founder, Chief Executive Officer and
President of Ares

KIPP DEVEER
Director and Chief Executive Officer of
Ares Capital Corporation
Partner, Head of Credit Group

MICHAEL DIEBER
Partner, Co-Head of Portfolio Management

MITCHELL GOLDSTEIN
Co-President of Ares Capital Corporation
Partner and Co-Head of Ares Credit Group

JIM MILLER
Partner, Co-Head of U.S. Direct Lending

KORT SCHNABEL
Partner, Co-Head of U.S. Direct Lending

DAVID SCHWARTZ
Partner, Co-Head of U.S. Direct Lending

MICHAEL SMITH
Co-President of Ares Capital Corporation
Partner and Co-Head of Ares Credit Group

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Co-Chairman and Executive Vice
President of Ares Capital Corporation
Co-Founder, Chief Executive Officer and
President of Ares

JOSHUA BLOOMSTEIN
Vice President, General Counsel and
Secretary

KIPP DEVEER
Director and Chief Executive Officer of
Ares Capital Corporation
Partner, Head of Credit Group

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Co-President

MIRIAM KRIEGER
Vice President

SCOTT LEM
Chief Accounting Officer,
Vice President and Treasurer

LISA MORGAN
Chief Compliance Officer

PENNI ROLL
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MICHAEL SMITH
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Reconciliations of Core EPS

The following are reconciliations of basic and diluted net income (loss) per share computed in accordance with GAAP to basic and diluted core earnings per share:

	For the Three Months Ended				
	3/31/21	12/31/20	9/30/20	6/30/20	3/31/20
Basic and Diluted Core EPS ⁽¹⁾	\$ 0.43	\$ 0.54	\$ 0.39	\$ 0.39	\$ 0.41
Net realized and unrealized gains (losses)	0.54	0.35	0.65	0.26	(1.96)
Capital gains incentive fees attributable to net realized and unrealized gains and losses	(0.10)	—	—	—	0.13
Income tax expense related to net realized gains and losses	—	—	—	—	—
Basic and Diluted GAAP net income (loss) per share	\$ 0.87	\$ 0.89	\$ 1.04	\$ 0.65	\$ (1.42)

Endnotes

- 1) Basic and diluted Core EPS is a non-GAAP financial measure. Core EPS is the net per share increase (decrease) in stockholders' equity resulting from operations less net realized and unrealized gains and losses, any capital gains incentive fees attributable to such net realized and unrealized gains and losses, and any income taxes related to such net realized gains and losses. Basic and diluted GAAP net income (loss) per share is the most directly comparable GAAP financial measure. Ares Capital believes that Core EPS provides useful information to investors regarding financial performance because it is one method Ares Capital uses to measure its financial condition and results of operations. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. Reconciliations of basic and diluted Core EPS to the most directly comparable GAAP financial measure are set forth on slide 23 hereof.
- 2) Includes investment commitments to Ivy Hill Asset Management, L.P. ("IHAM"), a wholly-owned portfolio company of Ares Capital, or vehicles managed by IHAM. Q2-20 includes investment commitments to IHAM or vehicles managed by IHAM of \$175 million.
- 3) Includes sales to IHAM or vehicles managed by IHAM. Q1-21, Q4-20, Q3-20, Q2-20 and Q1-20 include sales of loans to IHAM or vehicles managed by IHAM of \$283 million, \$141 million, \$19 million, \$747 million and \$32 million, respectively. Q4-20 also includes investment commitments repaid by IHAM of \$78 million.
- 4) The weighted average yield on debt and other income producing securities is computed as (a) annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities, divided by (b) total accruing debt and other income producing securities at amortized cost or at fair value, as applicable.
- 5) The weighted average yield on the total investment portfolio is computed as (a) annual stated interest rate or yield earned plus the net annual amortization of original issue discount and market discount or premium earned on accruing debt and other income producing securities, divided by (b) total investments at amortized cost or at fair value, as applicable.
- 6) Computed as total principal debt outstanding less available cash divided by stockholders' equity. Available cash excludes restricted cash as well as cash held for dividends payable and for uses specifically designated for paying interest and expenses on certain debt.
- 7) Computed as (a) the annual stated interest expense on our debt obligations divided by (b) total debt obligations at principal amount outstanding. Stated interest expense on debt excludes facility and other fees and the amortization of original issue discount or premium, market discounts and debt issuance costs.
- 8) Net interest and dividend margin represents the difference between interest and dividend income and interest and credit facility fees expense for the last twelve month period divided by average total investments at amortized cost during the same period.
- 9) Excludes realized and unrealized gains (losses) and incentive fees attributable to net realized and unrealized gains (losses).
- 10) Includes portfolio companies for which there are outstanding commitments, but for which no amounts were funded at the end of the period.
- 11) First lien senior secured loans include certain loans that Ares Capital classifies as "unitranche" loans, which are loans that combine both senior and subordinated debt, generally in a first lien position. As of March 31, 2021, the total amortized cost and fair value of loans that Ares Capital classified as "unitranche" loans were \$3,172 million and \$3,062 million, respectively.
- 12) Represents Ares Capital's portion of co-investments with Varagon Capital Partners and its clients in first lien senior secured loans, including certain loans that the SDLP classifies as "unitranche" loans, to U.S. middle-market companies. As of March 31, 2021, the Senior Direct Lending Program LLC's (the "SDLP") loan portfolio totaled approximately \$4.2 billion in aggregate principal amount and had loans to 21 different borrowers. As of March 31, 2021, the SDLP's largest loan to a single borrower was \$345 million in aggregate principal amount and the five largest loans to borrowers totaled \$1.6 billion in aggregate principal amount. As of March 31, 2021, the total principal amount of loans in the SDLP portfolio that the SDLP classified as "unitranche" loans was \$3.2 billion. The portfolio companies in the SDLP are in industries similar to companies in Ares Capital's portfolio. See Note 4 to Ares Capital's consolidated financial statements included in the quarterly report on Form 10-Q for the quarter ended March 31, 2021 for information regarding the SDLP.

Endnotes (cont'd)

- 13) As of March 31, 2021, excluding Ares Capital's investment in the subordinated certificates of the SDLP, 87% of the floating rate investments at fair value contained interest rate floor features.
- 14) Represents gross commitments or fundings less commitments or investments exited, respectively.
- 15) The portfolio weighted average EBITDA and average EBITDA for the underlying borrowers includes information solely in respect of corporate investments in Ares Capital's portfolio and the weighted average total net leverage multiple and interest coverage ratio data includes information solely in respect of corporate portfolio companies in which Ares Capital has a debt investment (in each case, subject to the exclusions described in the following sentence). Excluded from the data above is information in respect of the following: (i) the SDLP (and the underlying borrowers in the SDLP), (ii) portfolio companies that do not report EBITDA, including IHAM, (iii) portfolio companies with negative or de minimis EBITDA, (iv) investment funds/vehicles, (v) discrete projects in the project finance/power generation sector, (vi) certain oil and gas companies, (vii) venture capital backed companies and (viii) commercial real estate finance companies. The portfolio weighted average EBITDA for the underlying borrowers in the SDLP was \$55.3 million, \$58.1 million, \$56.5 million, \$62.2 million and \$63.2 million as of 3/31/20, 6/30/20, 9/30/20, 12/31/20 and 3/31/21, respectively. The portfolio average EBITDA for the underlying borrowers in the SDLP was \$45.4 million, \$46.4 million, \$47.1 million, \$45.1 million, \$51.0 million and \$53.0 million as of 3/31/20, 6/30/20, 9/30/20, 12/31/20 and 3/31/21, respectively.
- 16) Weighted average EBITDA amounts are weighted based on the fair value of the portfolio company investments. EBITDA amounts are estimated from the most recent portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 17) EBITDA is a non-GAAP financial measure. For a particular portfolio company, EBITDA is generally defined as net income before net interest expense, income tax expense, depreciation and amortization. EBITDA amounts are estimated from the most recent portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 18) Portfolio weighted average total net leverage multiples represent Ares Capital's last dollar of invested debt capital (net of cash) as a multiple of EBITDA. Portfolio weighted average total net leverage multiples for borrowers in the SDLP represent the SDLP's last dollar of invested debt capital (net of cash) as a multiple of EBITDA. The weighted average total net leverage multiple for the underlying borrowers in the SDLP was 5.8x, 5.9x, 6.6x, 6.2x and 6.2x as of 3/31/20, 6/30/20, 9/30/20, 12/31/20 and 3/31/21, respectively, which excludes certain portfolio companies with negative or de minimis EBITDA. Weighted average total net leverage multiples are weighted based on the fair value of the portfolio company investments. Portfolio company credit statistics for Ares Capital and the SDLP are derived from the most recently available portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 19) Portfolio weighted average interest coverage ratio represents the portfolio company's EBITDA as a multiple of cash interest expense. The weighted average interest coverage ratio for the underlying borrowers in the SDLP was 2.2x, 2.4x, 2.5x, 2.3x and 2.3x as of 3/31/20, 6/30/20, 9/30/20, 12/31/20 and 3/31/21, respectively, which excludes certain portfolio companies with negative or de minimis EBITDA. Weighted average interest coverage ratios are weighted based on the fair value of the portfolio company investments. Portfolio company credit statistics for Ares Capital and the SDLP are derived from the most recently available portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.
- 20) The EBITDA growth rate for each included portfolio company is calculated as the percentage change for the most recently reported fiscal year to date comparable periods and is weighted based on the fair value of the portfolio company investments to calculate the portfolio weighted average EBITDA growth rate. For a particular portfolio company, EBITDA is generally defined as net income before net interest expense, income tax expense, depreciation and amortization. EBITDA amounts used in the calculation are estimated from the most recent portfolio company financial statements, have not been independently verified by Ares Capital and may reflect a normalized or adjusted amount. Accordingly, Ares Capital makes no representation or warranty in respect of this information.

Endnotes (cont'd)

- 21) Based on our investment adviser's internal investment rating system scale from 1 to 4. Investments with a grade of 4 involve the least amount of risk to our initial cost basis and the trends and risk factors for these investments since origination or acquisition are generally favorable, which may include the performance of the portfolio company or a potential exit. Investments with a grade of 3 involve a level of risk to our initial cost basis that is similar to the risk to our initial cost basis at the time of origination or acquisition. This portfolio company is generally performing as expected and the risk factors to our ability to ultimately recoup the cost of our investment are neutral to favorable. Investments with a grade of 2 indicate that the risk to our ability to recoup the initial cost basis of such investment has increased materially since origination or acquisition, including as a result of factors such as declining performance and non-compliance with debt covenants; however, payments are generally not more than 120 days past due. Investments with a grade of 1 indicate that the risk to our ability to recoup the initial cost basis of such investment has substantially increased since origination or acquisition and our investment adviser does not anticipate that we will recoup our initial cost basis and we may realize a substantial loss on our initial cost basis upon exit. All investments or acquired investments in new portfolio companies are initially assessed a grade of 3.
- 22) Investment backlog includes transactions approved by our investment adviser's investment committee and/or for which a formal mandate, letter of intent or a signed commitment has been issued, and therefore we believe are likely to close. Investment pipeline includes transactions where due diligence and analysis are in process, but no formal mandate, letter of intent or signed commitment has been issued. The consummation of any of the investments in this backlog and pipeline depends upon, among other things, one or more of the following: satisfactory completion of our due diligence investigation of the prospective portfolio company, our acceptance of the terms and structure of such investment and the execution and delivery of satisfactory transaction documentation. In addition, Ares Capital may sell all or a portion of these investments and certain of these investments may result in the repayment of existing investments. Ares Capital cannot assure you that we will make any of these investments or that we will sell all or any portion of these investments.
- 23) Requires periodic payments of interest and may require repayments of a portion of the outstanding principal once their respective reinvestment periods end but prior to the applicable stated maturity.
- 24) Subject to borrowing base and other restrictions. Represents total aggregate amount committed or outstanding, as applicable, under such instrument.
- 25) Represents the aggregate principal amount of the notes outstanding adjusted for the unaccreted discount or premium initially recorded at the time of issuance.
- 26) Represents the aggregate principal amount of the notes outstanding less the unaccreted purchased discount initially recorded at the time of acquisition.
- 27) Effective stated rate as of March 31, 2021.
- 28) The interest rate charged on the Revolving Credit Facility is based on an applicable spread of either 1.75% or 1.875% over LIBOR or 0.75% or 0.875% over an "alternate base rate" (as defined in the agreements governing the Revolving Credit Facility), in each case, determined monthly based on the total amount of borrowing base relative to the total commitments of the Revolving Credit Facility and other debt, if any, secured by the same collateral as the Revolving Credit Facility. As of March 31, 2021, the interest rate in effect was LIBOR plus 1.75%. The Revolving Credit Facility consists of a \$817 million term loan tranche and a \$3,146 million revolving tranche. For \$767 million of the term loan tranche, the stated maturity date is March 31, 2026. For the remaining \$50 million of the term loan tranche, the stated maturity date is March 30, 2025. For \$2,996 million of the revolving tranche, the end of the revolving period and the stated maturity date are March 31, 2025 and March 31, 2026, respectively. For the remaining \$150 million of the revolving tranche, the end of the revolving period and the stated maturity date are March 30, 2024 and March 30, 2025, respectively. Subsequent to the end of the respective revolving periods and prior to the respective stated maturity dates, Ares Capital is required to repay the relevant outstanding principal amounts under both the term loan tranche and revolving tranche on a monthly basis in an amount equal to 1/12th of the outstanding principal amount at the end of the respective revolving period.

Endnotes (cont'd)

- 29) The interest rate charged on the Revolving Funding Facility is based on LIBOR plus 2.00% per annum or a “base rate” (as defined in the agreements governing the Revolving Funding Facility) plus 1.00% per annum. As of March 31, 2021, the interest rate in effect was LIBOR plus 2.00%. The end of the reinvestment period and the stated maturity date for the Revolving Funding Facility are January 31, 2023 and January 31, 2025, respectively. Subsequent to the end of this reinvestment period and prior to the stated maturity date of January 31, 2025, any principal proceeds from sales and repayments of loan assets held by Ares Capital CP Funding LLC will be used to repay the aggregate principal amount outstanding.
- 30) The interest rate charged on the SMBC Funding Facility is based on an applicable spread of either 1.75% or 2.00% per annum over LIBOR or 0.75% or 1.00% per annum over a “base rate” (as defined in the agreements governing the SMBC Funding Facility), in each case, determined monthly based on the amount of the average borrowings outstanding under the SMBC Funding Facility. The end of the reinvestment period and the stated maturity date for the SMBC Funding Facility are September 10, 2022 and September 10, 2024, respectively. Subsequent to the end of this reinvestment period and prior to the stated maturity date of September 10, 2024, any principal proceeds from sales and repayments of loan assets held by our consolidated subsidiary, Ares Capital JB Funding LLC, will be used to repay the aggregate principal amount outstanding.
- 31) The interest rate charged on the BNP Funding Facility is based on LIBOR (subject to a floor of 0.45%), or over a “base rate” (as defined in the agreements governing the BNP Funding Facility) plus a margin that generally ranges between 2.65% and 3.15% (depending on the types of assets such advances relate to), with a weighted average margin floor for all classes of advances of (i) 2.75% during the reinvestment period and (ii) 3.25% following the reinvestment period. The end of the reinvestment period and the stated maturity date for the BNP Funding Facility are June 11, 2023 and June 11, 2025, respectively. Subsequent to the end of this reinvestment period and prior to the stated maturity date of June 11, 2025, any principal proceeds from sales and repayments of loan assets held by our consolidated subsidiary, ARCC FB Funding LLC will be used to repay the aggregate principal amount outstanding.
- 32) Declared. The second quarter 2021 dividend of \$0.40 per share to be paid on June 30, 2021 to stockholders of record on June 15, 2021.
- 33) The amount of excess 2020 U.S. federal taxable income available for carry over into 2021 is only an estimate based on estimated 2020 U.S. federal taxable income. The calculation of estimated 2020 U.S. federal taxable income includes a number of estimated inputs, including information received from third parties and, as a result, actual 2020 U.S. federal taxable income will not be finally determined until Ares Capital's 2020 tax return is filed in 2021. Consequently, both 2020 U.S. federal taxable income and the amount of excess U.S. federal taxable income available for carry over into 2021 are subject to change. See Note 11 to Ares Capital's consolidated financial statements included in the annual report on Form 10-K for the year ended December 31, 2020 for more information.

