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

FORM 8-K

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

Date of Report (Date of earliest event reported): November 16, 2021

Oaktree Specialty Lending Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

814-00755
(Commission
File Number)

26-1219283
(IRS Employer
Identification No.)

333 South Grand Avenue, 28th Floor
Los Angeles, CA
(Address of principal executive offices)

90071
(Zip Code)

Registrant's telephone number, including area code: (213) 830-6300

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.01 per share	OCSL	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging Growth Company

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

Item 2.02. Results of Operations and Financial Condition.

On November 16, 2021, Oaktree Specialty Lending Corporation (the “Company”) issued a press release announcing its financial results for the fiscal quarter and year ended September 30, 2021. A copy of the press release is attached hereto as Exhibit 99.1.

On November 16, 2021, the Company will host a conference call to discuss its financial results for the fiscal quarter and year ended September 30, 2021. In connection therewith, the Company provided an investor presentation on its website at <http://www.oaktreespecialtylending.com>. A copy of the investor presentation is attached hereto as Exhibit 99.2.

The information disclosed under this Item 2.02, including Exhibits 99.1 and 99.2 hereto, is being “furnished” and is not deemed “filed” by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, nor is it deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*

99.1 [Press release of Oaktree Specialty Lending Corporation dated November 16, 2021](#)

99.2 [Oaktree Specialty Lending Corporation Fourth Quarter and Fiscal Year 2021 Earnings Presentation](#)

SIGNATURE

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

OAKTREE SPECIALTY LENDING CORPORATION

Date: November 16, 2021

By: /s/ Mel Carlisle
Name: Mel Carlisle
Title: Chief Financial Officer and Treasurer



Oaktree Specialty Lending Corporation Announces Fourth Fiscal Quarter and Full Year 2021 Financial Results and Declares Increased Distribution of \$0.155 Per Share

LOS ANGELES, CA, November 16, 2021 - Oaktree Specialty Lending Corporation (NASDAQ: OCSL) ("Oaktree Specialty Lending" or the "Company"), a specialty finance company, today announced its financial results for the fiscal quarter and year ended September 30, 2021.

Financial Highlights for the Quarter and Year Ended September 30, 2021

- **Total investment income** was \$63.8 million (\$0.35 per share) and \$209.4 million (\$1.29 per share) for the fourth fiscal quarter and full year, respectively, as compared with \$65.4 million (\$0.36 per share) and \$143.1 million (\$1.02 per share) for the third fiscal quarter of 2021 and the full year of 2020, respectively. The decrease for the quarter primarily reflected lower prepayment and amendment fees, partially offset by higher interest income and dividend income. The increase for the full year primarily reflected higher interest income, prepayment fees and dividend income. Excluding income accretion related to the Company's merger with Oaktree Strategic Income Corporation ("OCSI") (the "Merger"), adjusted total investment income was \$58.2 million (\$0.32 per share) and \$198.1 million (\$1.22 per share) for fiscal quarter and full year ended September 30, 2021, respectively.
- **GAAP net investment income** was \$33.0 million (\$0.18 per share) and \$97.1 million (\$0.60 per share) for the fourth fiscal quarter and full year, respectively, as compared with \$35.9 million (\$0.20 per share) and \$72.0 million (\$0.51 per share) for the third fiscal quarter of 2021 and the full year of 2020, respectively. The decrease for the quarter was principally from lower total investment income, higher base management fees (net of waivers) and higher interest expense, partially offset by lower incentive fees. The full year increase was primarily driven by higher total investment income, partially offset by higher base management fees (net of waivers), incentive fees, interest expense and professional fees.
- **Adjusted net investment income** was \$29.1 million (\$0.16 per share) and \$103.4 million (\$0.64 per share) for the fourth fiscal quarter and full year, as compared with \$33.7 million (\$0.19 per share) and \$71.6 million (\$0.51 per share) for the third fiscal quarter of 2021 and the full year of 2020, respectively. The decrease for the quarter primarily reflected lower adjusted total investment income and higher net expenses. The full-year increase was primarily driven by higher adjusted total investment income, partially offset by higher net expenses.
- **Net asset value ("NAV") per share** was \$7.28 as of September 30, 2021, up 0.8% from \$7.22 as of June 30, 2021. The increase was primarily driven by realized and unrealized gains on certain debt and equity investments and undistributed net investment income. NAV was up 12% from \$6.49 as of September 30, 2020 primarily reflecting realized and unrealized gains on certain debt and equity investments and undistributed net investment income.
- **Originated** \$385.0 million of new investment commitments and received \$201.8 million of proceeds from prepayments, exits, other paydowns and sales during the quarter ended September 30, 2021. Of these new investment commitments, 91% were first lien loans, 3% were second lien loans, 5% were subordinated debt investments and 1% were equity investments. The weighted average yield on new debt investments was 8.6%.
- **No investments were on non-accrual status** as of September 30, 2021.
- **Total debt outstanding** was \$1,280.0 million as of September 30, 2021. The total debt to equity ratio was 0.97x, and the net debt to equity ratio was 0.95x, after adjusting for cash and cash equivalents.
- **Liquidity** as of September 30, 2021 was composed of \$29.3 million of unrestricted cash and cash equivalents and \$470.0 million of undrawn capacity under the credit facilities (subject to borrowing base and other limitations). Unfunded investment commitments were \$264.9 million, or \$215.9 million excluding unfunded commitments to the Company's joint ventures. Of the \$215.9 million, approximately \$153.6 million can be drawn immediately as the remaining amount is subject to certain milestones that must be met by portfolio companies.
- **A quarterly cash distribution was declared** of \$0.155 per share, up 7% from the prior quarter and the sixth consecutive quarterly distribution increase. The distribution will be paid in cash and is payable on December 31, 2021 to stockholders of record on December 15, 2021.

Armen Panossian, Chief Executive Officer and Chief Investment Officer, said, “The fourth quarter of 2021 capped a strong fiscal year for OCSL. We delivered solid investment performance and financial results, underscored by our highest annual level of adjusted net investment income per share under Oaktree’s management. As a result, we increased the dividend level by 41% and grew NAV by more than 12% in fiscal year 2021. We leveraged Oaktree’s broad credit platform to judiciously deploy our capital on attractive terms, further growing the portfolio’s size and improving the overall debt portfolio yield. We also made several enhancements to our capital structure, creating flexibility and reducing our borrowing costs, following the closing of the merger with OCSI. We are proud of our performance over the last year and believe we are very well-positioned for fiscal year 2022.”

Distribution Declaration

The Board of Directors declared a quarterly distribution of \$0.155 per share, an increase of 7%, or \$0.01 per share, from the prior quarter and the sixth consecutive quarterly distribution increase, payable on December 31, 2021 to stockholders of record on December 15, 2021.

Distributions are paid primarily from distributable (taxable) income. To the extent taxable earnings for a fiscal taxable year fall below the total amount of distributions for that fiscal year, a portion of those distributions may be deemed a return of capital to the Company’s stockholders.

Results of Operations

	For the three months ended			For the year ended	
	September 30, 2021 (unaudited)	June 30, 2021 (unaudited)	September 30, 2020 (unaudited)	September 30, 2021	September 30, 2020
<i>(\$ in thousands, except per share data)</i>					
GAAP operating results:					
Interest income	\$ 55,094	\$ 51,999	\$ 37,153	\$ 174,381	\$ 125,568
PIK interest income	4,960	4,597	2,573	16,447	7,863
Fee income	645	7,823	3,571	14,098	8,519
Dividend income	3,101	1,019	302	4,459	1,183
Total investment income	63,800	65,438	43,599	209,385	143,133
Net expenses	28,321	29,148	19,054	109,484	71,141
Net investment income before taxes	35,479	36,290	24,545	99,901	71,992
(Provision) benefit for taxes on net investment income	(2,437)	(358)	—	(2,795)	—
Net investment income	33,042	35,932	24,545	97,106	71,992
Net realized and unrealized gains (losses), net of taxes	3,519	11,106	46,072	140,154	(32,768)
Net increase (decrease) in net assets resulting from operations	\$ 36,561	\$ 47,038	\$ 70,617	\$ 237,260	\$ 39,224
Total investment income per common share	\$ 0.35	\$ 0.36	\$ 0.31	\$ 1.29	\$ 1.02
Net investment income per common share	\$ 0.18	\$ 0.20	\$ 0.17	\$ 0.60	\$ 0.51
Net realized and unrealized gains (losses), net of taxes per common share	\$ 0.02	\$ 0.06	\$ 0.33	\$ 0.86	\$ (0.23)
Earnings (loss) per common share — basic and diluted	\$ 0.20	\$ 0.26	\$ 0.50	\$ 1.46	\$ 0.28
Non-GAAP Financial Measures¹:					
Adjusted total investment income	\$ 58,229	\$ 60,378	\$ 43,599	\$ 198,089	\$ 143,133
Adjusted net investment income	\$ 29,100	\$ 33,709	\$ 24,545	\$ 103,425	\$ 71,635
Adjusted net realized and unrealized gains (losses), net of taxes	\$ 9,088	\$ 16,151	\$ 46,072	\$ 117,372	\$ (32,768)
Adjusted earnings (loss)	\$ 36,559	\$ 47,023	\$ 70,617	\$ 203,182	\$ 39,224
Adjusted total investment income per share	\$ 0.32	\$ 0.33	\$ 0.31	\$ 1.22	\$ 1.02
Adjusted net investment income per share	\$ 0.16	\$ 0.19	\$ 0.17	\$ 0.64	\$ 0.51
Adjusted net realized and unrealized gains (losses), net of taxes per share	\$ 0.05	\$ 0.09	\$ 0.33	\$ 0.72	\$ (0.23)
Adjusted earnings (loss) per share	\$ 0.20	\$ 0.26	\$ 0.50	\$ 1.25	\$ 0.28

¹ See *Non-GAAP Financial Measures* below for a description of the non-GAAP measures and the reconciliations from the most comparable GAAP financial measures to the Company's non-GAAP measures, including on a per share basis. The Company's management uses these non-GAAP financial measures internally to analyze and evaluate financial results and performance and believes that these non-GAAP financial measures are useful to investors as an additional tool to evaluate ongoing results and trends for the Company and to review the Company's performance without giving effect to non-cash income/gain resulting from the Merger and in the case of adjusted net investment income, without giving effect to capital gains incentive fees. The presentation of non-GAAP measures are not intended to be a substitute for financial results prepared in accordance with GAAP and should not be considered in isolation.

	As of		
	September 30, 2021	June 30, 2021 (unaudited)	September 30, 2020
<i>(\$ in thousands, except per share data and ratios)</i>			
Select balance sheet and other data:			
Cash and cash equivalents	\$ 29,334	\$ 84,689	\$ 39,096
Investment portfolio at fair value	2,556,629	2,339,301	1,573,851
Total debt outstanding (net of unamortized financing costs)	1,268,743	1,104,099	709,315
Net assets	1,312,823	1,302,414	914,879
Net asset value per share	7.28	7.22	6.49
Total debt to equity ratio	0.97x	0.86x	0.78x
Net debt to equity ratio	0.95x	0.79x	0.74x

Adjusted total investment income for the quarter ended September 30, 2021 was \$58.2 million and included \$49.5 million of interest income from portfolio investments, \$5.0 million of payment-in-kind ("PIK") interest income, \$0.6 million of fee income and \$3.1 million of dividend income. The decrease of \$2.1 million from the June quarter reflected \$7.2 million of lower fee income resulting from lower prepayment fees and amendment fees. This was partially offset by \$3.0 million of higher interest income resulting from a larger investment portfolio and \$2.1 million of higher dividend income from one investment.

Adjusted total investment income for full-year 2021 was \$198.1 million and included \$163.1 million of interest income from portfolio investments, \$16.4 million of PIK interest income, \$14.1 million of fee income and \$4.5 million of dividend income. The increase of \$55.0 million from the year ended September 30, 2020 reflected (i) \$46.1 million of higher interest income principally from a larger investment portfolio stemming from net new investment growth and the assets acquired in the

Merger and higher OID acceleration, (ii) \$5.6 million of higher fee income primarily driven by increased prepayment and amendment fees and (iii) \$3.3 million of higher dividend income from two investments that did not pay dividends in the prior year, including the Company's investment in Senior Loan Fund JV I, LLC ("SLF JV I").

Net expenses for the quarter ended September 30, 2021 totaled \$28.3 million, down \$0.8 million from the quarter ended June 30, 2021. The decrease reflected \$1.0 million of lower Part I incentive fees resulting from a decline in adjusted total investment income and \$1.2 million of lower accrued Part II incentive fees. This was partially offset by \$0.9 million of higher base management fees (net of waivers) due to the larger investment portfolio, \$0.2 million of higher interest expense resulting from an increase in borrowings outstanding and \$0.2 million of higher professional fees.

Net expenses for full-year 2021 totaled \$109.5 million, up \$38.3 million from the year ended September 30, 2020. The increase reflected \$7.8 million of higher base management fees (net of waivers) from the larger investment portfolio (including assets acquired in the Merger), \$6.4 million of higher Part I incentive fees due to increased adjusted total investment income, \$18.0 million of higher accrued Part II incentive fees (net of waivers) and \$4.2 million of higher interest expense resulting from an increase in borrowings outstanding.

Adjusted net investment income was \$29.1 million (\$0.16 per share) for the quarter ended September 30, 2021, down from \$33.7 million (\$0.19 per share) for the quarter ended June 30, 2021. The decrease reflected \$2.1 million of lower adjusted total investment income, \$0.4 million of higher net expenses (excluding Part II incentive fees) and a \$2.1 million increase in income tax expense.

Adjusted net investment income for full-year 2021 was \$103.4 million (\$0.64 per share), up from \$71.6 million (\$0.51 per share) for the year ended September 30, 2020. The increase reflected \$55.0 million of higher adjusted total investment income, partially offset by \$20.3 million of higher net expenses (excluding Part II incentive fees) and \$2.8 million of increased income tax expense.

Adjusted net realized and unrealized gains, net of taxes, were \$9.1 million and \$117.4 million for the quarter and year ended September 30, 2021, respectively, primarily reflecting gains on certain debt and equity investments.

Portfolio and Investment Activity

(\$ in thousands)	As of		
	September 30, 2021 (unaudited)	June 30, 2021 (unaudited)	September 30, 2020 (unaudited)
Investments at fair value	\$ 2,556,629	\$ 2,339,301	\$ 1,573,851
Number of portfolio companies	138	135	113
Average portfolio company debt size	\$ 18,700	\$ 17,600	\$ 15,800
Asset class:			
Senior secured debt	86.7%	86.7%	84.1%
Unsecured debt	1.7%	1.4%	4.2%
Equity	4.2%	3.9%	4.1%
JV interests	7.4%	8.1%	7.5%
Limited partnership interests	— %	— %	0.2%
Non-accrual debt investments:			
Non-accrual investments at fair value	\$ —	\$ —	\$ 1,571
Non-accrual investments as a percentage of debt investments	— %	— %	0.1%
Number of investments on non-accrual	—	—	2
Interest rate type:			
Percentage floating-rate	91.5%	91.4%	88.3%
Percentage fixed-rate	8.5%	8.6%	11.7%
Yields:			
Weighted average yield on debt investments ¹	8.7%	8.4%	8.3%
Cash component of weighted average yield on debt investments	7.4%	7.1%	7.0%
Weighted average yield on total portfolio investments ²	8.3%	8.0%	7.8%
Investment activity³:			
New investment commitments	\$ 385,000	\$ 178,400	\$ 148,500
New funded investment activity ⁴	\$ 416,400	\$ 165,300	\$ 146,300
Proceeds from prepayments, exits, other paydowns and sales	\$ 201,800	\$ 170,600	\$ 184,200
Net new investments ⁵	\$ 214,600	\$ (5,300)	\$ (37,900)
Number of new investment commitments in new portfolio companies	14	9	8
Number of new investment commitments in existing portfolio companies	6	1	3
Number of portfolio company exits	11	11	12

¹ Annual stated yield earned plus net annual amortization of OID or premium earned on accruing investments, including the Company's share of the return on debt investments in the SLF JV I and Glick JV, and excluding any amortization or accretion of interest income resulting solely from the cost basis established by ASC 805 (see Non-GAAP Financial Measures below) for the assets acquired in connection with the Merger.

² Annual stated yield earned plus net annual amortization of OID or premium earned on accruing investments and dividend income, including the Company's share of the return on debt investments in the SLF JV I and Glick JV, and excluding any amortization or accretion of interest income resulting solely from the cost basis established by ASC 805 for the assets acquired in connection with the Merger.

³ Excludes the assets acquired as part of the Merger.

⁴ New funded investment activity includes drawdowns on existing revolver and delayed draw term loan commitments.

⁵ Net new investments consists of new funded investment activity less proceeds from prepayments, exits, other paydowns and sales.

As of September 30, 2021, the fair value of the investment portfolio was \$2.6 billion and was composed of investments in 138 companies. These included debt investments in 121 companies, equity investments in 35 companies, including limited partnership interests in one private equity fund, and the Company's joint venture investments in SLF JV I and OCSI Glick JV LLC ("Glick JV"). 20 of the equity investments were in companies in which the Company also had a debt investment.

As of September 30, 2021, 94.3% of the Company's portfolio at fair value consisted of debt investments, including 69.1% of first lien loans, 17.6% of second lien loans and 7.6% of unsecured debt investments, including the debt investments in SLF JV I and Glick JV. This compared to 67.6% of first lien loans, 19.1% of second lien loans and 7.9% of unsecured debt investments, including the debt investments in SLF JV I and Glick JV, as of June 30, 2021.

As of September 30, 2021, there were no investments on non-accrual status.

The Company's investments in SLF JV I totaled \$133.9 million at fair value as of September 30, 2021, up 1% from \$132.9 million as of June 30, 2021. The increase in the value of the Company's investments in SLF JV I was primarily driven by undistributed net investment income.

As of September 30, 2021, SLF JV I had \$379.2 million in assets, including senior secured loans to 55 portfolio companies. This compared to \$386.5 million in assets, including senior secured loans to 57 portfolio companies, as of June 30, 2021. As of September 30, 2021, there were no investments held by SLF JV I on non-accrual status. SLF JV I generated cash interest income of \$2.0 million for the Company during the quarter ended September 30, 2021, up \$0.1 million from \$1.9 million in the prior quarter. In addition, SLF JV I generated dividend income of \$0.5 million for the Company during the quarter ended September 30, 2021, which was unchanged as compared to the prior quarter. As of September 30, 2021, SLF JV I had \$44.4 million of undrawn capacity (subject to borrowing base and other limitations) on its \$260 million senior revolving credit facility, and its debt to equity ratio was 1.4x.

The Company's investments in Glick JV totaled \$55.6 million at fair value as of September 30, 2021, up slightly from \$55.4 million as of June 30, 2021. As of September 30, 2021, Glick JV had \$141.0 million in assets, including senior secured loans to 37 portfolio companies. This compared to \$148.1 million in assets, including senior secured loans to 38 portfolio companies, as of June 30, 2021. As of September 30, 2021, there were no investments held by Glick JV on non-accrual status. Glick JV generated cash interest income of \$0.7 million during the quarter ended September 30, 2021, which was flat as compared to the prior quarter. As of September 30, 2021, Glick JV had \$18.1 million of undrawn capacity (subject to borrowing base and other limitations) on its \$90 million senior revolving credit facility, and its debt to equity ratio was 1.1x.

Liquidity and Capital Resources

As of September 30, 2021, the Company had total principal value of debt outstanding of \$1,280.0 million, including \$630.0 million of outstanding borrowings under its revolving credit facilities, \$300.0 million of the 3.500% Notes due 2025 and \$350.0 million of the 2.700% Notes due 2027. The funding mix was composed of 49% secured and 51% unsecured borrowings as of September 30, 2021. The Company was in compliance with all financial covenants under its credit facilities as of September 30, 2021.

As of September 30, 2021, the Company had \$29.3 million of unrestricted cash and cash equivalents and \$470.0 million of undrawn capacity on its credit facilities (subject to borrowing base and other limitations). As of September 30, 2021, unfunded investment commitments were \$264.9 million, or \$215.9 million excluding unfunded commitments to the Company's joint ventures. Of the \$215.9 million, approximately \$153.6 million could be drawn immediately as the remaining amount is subject to certain milestones that must be met by portfolio companies. The Company has analyzed cash and cash equivalents, availability under its credit facilities, the ability to rotate out of certain assets and amounts of unfunded commitments that could be drawn and believes its liquidity and capital resources are sufficient to take advantage of market opportunities in the current economic climate.

As of September 30, 2021, the weighted average interest rate on debt outstanding, including the effect of the interest rate swap agreement, was 2.4%, unchanged as compared with June 30, 2021.

The Company's total debt to equity ratio was 0.97x and 0.86x as of September 30, 2021 and June 30, 2021, respectively. The Company's net debt to equity ratio was 0.95x and 0.79x as of September 30, 2021 and June 30, 2021, respectively.

Recent Developments

Election of Independent Director

On November 12, 2021, the Board of Directors elected Phyllis R. Caldwell to the Board of Directors and each of its committees effective as of December 31, 2021. Ms. Caldwell is founder and has served since 2012 as the managing member of Wroxton Civic Ventures, which provides advisory services on various financial, housing and economic development matters. Previously, Ms. Caldwell was Chief Homeownership Preservation Officer at the U.S. Department of the Treasury, responsible for oversight of the U.S. housing market stabilization, economic recovery and foreclosure prevention initiatives established through the Troubled Asset Relief Program. In addition, Ms. Caldwell held various leadership roles during eleven years at Bank of America, including serving as President of Community Development Banking. Ms. Caldwell has served as Chair of the board of directors of Ocwen Financial Corporation since March 2016 and has served as a director of the company since January 2015. In June 2021, Ms. Caldwell became a member of the board of directors of OneMain Holdings, Inc., the country's largest nonprime installment lender. In March 2021, Ms. Caldwell was appointed as a member of the board of trustees of JBG SMITH, an owner and developer of mixed-use properties in the Washington, D.C. market. From December 2020 to July 2021, Ms. Caldwell served as a member of the board of directors of Revolution Acceleration Acquisition Corp., a special purpose acquisition company, and from January 2014 through September 2018, she served as an independent director of American Capital Senior Floating, Ltd., a Business Development Company. Ms. Caldwell also serves or has served on the boards of other public and private businesses and numerous non-profit organizations engaged in housing and community development finance. Ms. Caldwell received her Master of Business

Non-GAAP Financial Measures

On a supplemental basis, the Company is disclosing certain adjusted financial measures, each of which is calculated and presented on a basis of methodology other than in accordance with GAAP (“non-GAAP”). The Company’s management uses these non-GAAP financial measures internally to analyze and evaluate financial results and performance and believes that these non-GAAP financial measures are useful to investors as an additional tool to evaluate ongoing results and trends for the Company and to review the Company’s performance without giving effect to non-cash income/gain resulting from the Merger and in the case of adjusted net investment income, without giving effect to capital gains incentive fees. The presentation of the below non-GAAP measures is not intended to be a substitute for financial results prepared in accordance with GAAP and should not be considered in isolation.

- **“Adjusted Total Investment Income” and “Adjusted Total Investment Income Per Share”** – represents total investment income excluding any amortization or accretion of interest income resulting solely from the cost basis established by ASC 805 (see below) for the assets acquired in connection with the Merger.
- **“Adjusted Net Investment Income” and “Adjusted Net Investment Income Per Share”** – represents net investment income, excluding (i) any amortization or accretion of interest income resulting solely from the cost basis established by ASC 805 (see below) for the assets acquired in connection with the Merger and (ii) capital gains incentive fees (“Part II incentive fees”).
- **“Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes” and “Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes Per Share”** – represents net realized and unrealized gains (losses) net of taxes excluding any net realized and unrealized gains (losses) resulting solely from the cost basis established by ASC 805 (see below) for the assets acquired in connection with the Merger.
- **“Adjusted Earnings (Loss)” and “Adjusted Earnings (Loss) Per Share”** – represents the sum of (i) Adjusted Net Investment Income and (ii) Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes and includes the impact of Part II incentive fees¹, if any.

On March 19, 2021, the Company completed the Merger. The Merger was accounted for as an asset acquisition in accordance with the asset acquisition method of accounting as detailed in ASC 805-50, *Business Combinations—Related Issues* (“ASC 805”). The consideration paid to OCSI’s stockholders was allocated to the individual assets acquired and liabilities assumed based on the relative fair values of the net identifiable assets acquired other than “non-qualifying” assets, which established a new cost basis for the acquired OCSI investments under ASC 805 that, in aggregate, was significantly lower than the historical cost basis of the acquired OCSI investments prior to the Merger. Additionally, immediately following the completion of the Merger, the acquired OCSI investments were marked to their respective fair values under ASC 820, *Fair Value Measurements*, which resulted in unrealized appreciation. The new cost basis established by ASC 805 on debt investments acquired will accrete over the life of each respective debt investment through interest income, with a corresponding adjustment recorded to unrealized appreciation on such investment acquired through its ultimate disposition. The new cost basis established by ASC 805 on equity investments acquired will not accrete over the life of such investments through interest income and, assuming no subsequent change to the fair value of the equity investments acquired and disposition of such equity investments at fair value, the Company will recognize a realized gain with a corresponding reversal of the unrealized appreciation on disposition of such equity investments acquired.

The Company’s management uses the non-GAAP financial measures described above internally to analyze and evaluate financial results and performance and to compare its financial results with those of other business development companies that have not adjusted the cost basis of certain investments pursuant to ASC 805. The Company’s management believes “Adjusted Total Investment Income”, “Adjusted Total Investment Income Per Share”, “Adjusted Net Investment Income” and “Adjusted Net Investment Income Per Share” are useful to investors as an additional tool to evaluate ongoing results and trends for the Company without giving effect to the accretion income resulting from the new cost basis of the OCSI investments acquired in the Merger because these amounts do not impact the fees payable to Oaktree Fund Advisors, LLC (the “Adviser”) under its amended and restated advisory agreement (the “A&R Advisory Agreement”), and specifically as it relates to “Adjusted Net Investment Income” and “Adjusted Net Investment Income Per Share”, without giving effect to Part II incentive fees. In addition, the Company’s management believes that “Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes”, “Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes Per Share”, “Adjusted

¹ Adjusted earnings (loss) includes accrued Part II incentive fees. For the three months and year ended September 30, 2021, \$1.6 million and \$17.6 million, respectively, of accrued Part II incentive fees were expensed. As of September 30, 2021, the total accrued Part II incentive fee liability was \$17.6 million. Part II incentive fees are contractually calculated and paid at the end of the fiscal year in accordance with the A&R Advisory Agreement, which differs from Part II incentive fees accrued under GAAP. For the year ended September 30, 2021, Part II incentive fees payable under the A&R Advisory Agreement were \$8.8 million.

Earnings (Loss)” and “Adjusted Earnings (Loss) Per Share” are useful to investors as they exclude the non-cash income/gain resulting from the Merger and are used by management to evaluate the economic earnings of its investment portfolio. Moreover, these metrics align the Company’s key financial measures with the calculation of incentive fees payable to the Adviser under with the A&R Advisory Agreement (i.e., excluding amounts resulting solely from the lower cost basis of the acquired OCSI investments established by ASC 805 that would have been to the benefit of the Adviser absent such exclusion).

The following table provides a reconciliation of total investment income (the most comparable U.S. GAAP measure) to adjusted total investment income for the periods presented:

	For the three months ended						For the year ended			
	September 30, 2021 (unaudited)		June 30, 2021 (unaudited)		September 30, 2020 (unaudited)		September 30, 2021		September 30, 2020	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
<i>(\$ in thousands, except per share data)</i>										
GAAP total investment income	\$63,800	\$ 0.35	\$65,438	\$ 0.36	\$43,599	\$ 0.31	\$209,385	\$ 1.29	\$143,133	\$ 1.02
Less: Interest income accretion related to merger accounting adjustments	(5,571)	(0.03)	(5,060)	(0.03)	—	—	(11,296)	(0.07)	—	—
Adjusted total investment income	<u>\$58,229</u>	<u>\$ 0.32</u>	<u>\$60,378</u>	<u>\$ 0.33</u>	<u>\$43,599</u>	<u>\$ 0.31</u>	<u>\$198,089</u>	<u>\$ 1.22</u>	<u>\$143,133</u>	<u>\$ 1.02</u>

The following table provides a reconciliation of net investment income (the most comparable U.S. GAAP measure) to adjusted net investment income for the periods presented:

	For the three months ended						For the year ended			
	September 30, 2021 (unaudited)		June 30, 2021 (unaudited)		September 30, 2020 (unaudited)		September 30, 2021		September 30, 2020	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
<i>(\$ in thousands, except per share data)</i>										
GAAP net investment income	\$33,042	\$ 0.18	\$35,932	0.20	\$24,545	\$ 0.17	\$ 97,106	\$ 0.60	\$71,992	\$ 0.51
Less: Interest income accretion related to merger accounting adjustments	(5,571)	(0.03)	(5,060)	(0.03)	—	—	(11,296)	(0.07)	—	—
Add: Part II incentive fee	1,629	0.01	2,837	0.02	—	—	17,615	0.11	(357)	—
Adjusted net investment income	<u>\$29,100</u>	<u>\$ 0.16</u>	<u>\$33,709</u>	<u>\$ 0.19</u>	<u>24,545</u>	<u>\$ 0.17</u>	<u>\$103,425</u>	<u>\$ 0.64</u>	<u>\$71,635</u>	<u>\$ 0.51</u>

The following table provides a reconciliation of net realized and unrealized gains (losses), net of taxes (the most comparable U.S. GAAP measure) to adjusted net realized and unrealized gains (losses), net of taxes for the periods presented:

	For the three months ended						For the year ended			
	September 30, 2021 (unaudited)		June 30, 2021 (unaudited)		September 30, 2020 (unaudited)		September 30, 2021		September 30, 2020	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
<i>(\$ in thousands, except per share data)</i>										
GAAP net realized and unrealized gains (losses), net of taxes	\$3,519	\$ 0.02	\$11,106	\$ 0.06	\$46,072	\$ 0.33	\$140,154	\$ 0.86	\$(32,768)	\$(0.23)
Less: Net realized and unrealized losses (gains) related to merger accounting adjustments	5,569	0.03	5,045	0.03	—	—	(22,782)	(0.14)	—	—
Adjusted net realized and unrealized gains (losses), net of taxes	<u>\$9,088</u>	<u>\$ 0.05</u>	<u>\$16,151</u>	<u>\$ 0.09</u>	<u>\$46,072</u>	<u>\$ 0.33</u>	<u>\$117,372</u>	<u>\$ 0.72</u>	<u>\$(32,768)</u>	<u>\$(0.23)</u>

The following table provides a reconciliation of net increase (decrease) in net assets resulting from operations (the most comparable U.S. GAAP measure) to adjusted earnings (loss) for the periods presented:

	For the three months ended						For the year ended			
	September 30, 2021 (unaudited)		June 30, 2021 (unaudited)		September 30, 2020 (unaudited)		September 30, 2021		September 30, 2020	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
<i>(\$ in thousands, except per share data)</i>										
Net increase (decrease) in net assets resulting from operations	\$36,561	\$ 0.20	\$47,038	\$ 0.26	\$70,617	\$ 0.50	\$237,260	\$ 1.46	\$39,224	\$ 0.28
Less: Interest income accretion related to merger accounting adjustments	(5,571)	(0.03)	(5,060)	(0.03)	—	—	(11,296)	(0.07)	—	—
Less: Net realized and unrealized losses (gains) related to merger accounting adjustments	5,569	0.03	5,045	0.03	—	—	(22,782)	(0.14)	—	—
Adjusted earnings (loss)	<u>\$36,559</u>	<u>\$ 0.20</u>	<u>\$47,023</u>	<u>\$ 0.26</u>	<u>\$70,617</u>	<u>\$ 0.50</u>	<u>\$203,182</u>	<u>\$ 1.25</u>	<u>\$39,224</u>	<u>\$ 0.28</u>

Conference Call Information

Oaktree Specialty Lending will host a conference call to discuss its fourth fiscal quarter and full year 2021 results at 1:00 p.m. Eastern Time / 10:00 a.m. Pacific Time on November 16, 2021. The conference call may be accessed by dialing (877) 507-4376 (U.S. callers) or +1 (412) 317-5239 (non-U.S. callers). All callers will need to reference “Oaktree Specialty Lending” once connected with the operator. Alternatively, a live webcast of the conference call can be accessed through the Investors section of Oaktree Specialty Lending’s website, www.oaktreespecialtylending.com. During the conference call, the Company intends to refer to an investor presentation that will be available on the Investors section of its website.

For those individuals unable to listen to the live broadcast of the conference call, a replay will be available on Oaktree Specialty Lending’s website, or by dialing (877) 344-7529 (U.S. callers) or +1 (412) 317-0088 (non-U.S. callers), access code 10160823, beginning approximately one hour after the broadcast.

About Oaktree Specialty Lending Corporation

Oaktree Specialty Lending Corporation (NASDAQ:OCSL) is a specialty finance company dedicated to providing customized one-stop credit solutions to companies with limited access to public or syndicated capital markets. The Company’s investment objective is to generate current income and capital appreciation by providing companies with flexible and innovative financing solutions including first and second lien loans, unsecured and mezzanine loans, and preferred equity. The Company is regulated as a business development company under the Investment Company Act of 1940, as amended, and is externally managed by Oaktree Fund Advisors, LLC, an affiliate of Oaktree Capital Management, L.P. For additional information, please visit Oaktree Specialty Lending’s website at www.oaktreespecialtylending.com.

Forward-Looking Statements

Some of the statements in this press release constitute forward-looking statements because they relate to future events, future performance or financial condition. The forward-looking statements may include statements as to: future operating results of the Company and distribution projections; business prospects of the Company and the prospects of its portfolio companies; and the impact of the investments that the Company expects to make. In addition, words such as “anticipate,” “believe,” “expect,” “seek,” “plan,” “should,” “estimate,” “project” and “intend” indicate forward-looking statements, although not all forward-looking statements include these words. The forward-looking statements contained in this press release involve risks and uncertainties. Certain factors could cause actual results and conditions to differ materially from those projected, including the uncertainties associated with (i) changes in the economy, financial markets and political environment, (ii) risks associated with possible disruption in the operations of the Company or the economy generally due to terrorism, natural disasters or the COVID-19 pandemic; (iii) future changes in laws or regulations (including the interpretation of these laws and regulations by regulatory authorities); (iv) conditions in the Company’s operating areas, particularly with respect to business development companies or regulated investment companies; (v) general considerations associated with the COVID-19 pandemic; and (vi) other considerations that may be disclosed from time to time in the Company’s publicly disseminated documents and filings. The Company has based the forward-looking statements included in this press release on information available to it on the date of this press release, and the Company assumes no obligation to update any such forward-looking statements. The Company undertakes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that it may make directly to you or through reports that the Company in the future may file with the Securities and Exchange Commission, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

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Oaktree Specialty Lending Corporation
Consolidated Statements of Assets and Liabilities
(in thousands, except per share amounts)

	September 30, 2021	June 30, 2021 (unaudited)	September 30, 2020
ASSETS			
Investments at fair value:			
Control investments (cost September 30, 2021: \$283,599; cost June 30, 2021: \$283,707; cost September 30, 2020: \$245,950)	\$ 270,765	\$ 269,478	\$ 201,385
Affiliate investments (cost September 30, 2021: \$18,763; cost June 30, 2021: \$14,788; cost September 30, 2020: \$7,551)	18,289	13,959	6,509
Non-control/Non-affiliate investments (cost September 30, 2021: \$2,236,759; cost June 30, 2021: \$2,021,729; cost September 30, 2020: \$1,415,669)	2,267,575	2,055,864	1,365,957
Total investments at fair value (cost September 30, 2021: \$2,539,121; cost June 30, 2021: \$2,320,224; cost September 30, 2020: \$1,669,170)	2,556,629	2,339,301	1,573,851
Cash and cash equivalents	29,334	84,689	39,096
Restricted cash	2,301	2,840	—
Interest, dividends and fees receivable	22,125	15,415	6,935
Due from portfolio companies	1,990	1,394	2,725
Receivables from unsettled transactions	8,150	2,466	9,123
Due from broker	1,640	1,640	—
Deferred financing costs	9,274	9,413	5,947
Deferred offering costs	34	34	67
Deferred tax asset, net	714	735	847
Derivative assets at fair value	1,912	2,449	223
Other assets	2,284	2,332	1,898
Total assets	\$ 2,636,387	\$ 2,462,708	\$ 1,640,712
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable, accrued expenses and other liabilities	\$ 3,024	\$ 3,925	\$ 1,072
Base management fee and incentive fee payable	32,649	31,127	11,212
Due to affiliate	4,357	5,011	2,130
Interest payable	4,597	5,277	1,626
Payables from unsettled transactions	8,086	10,588	478
Derivative liability at fair value	2,108	267	—
Credit facilities payable	630,000	464,057	414,825
Unsecured notes payable (net of \$6,501, \$6,876 and \$3,272 of unamortized financing costs as of September 30, 2021, June 30, 2021 and September 30, 2020, respectively)	638,743	640,042	294,490
Total liabilities	1,323,564	1,160,294	725,833
Commitments and contingencies			
Net assets:			
Common stock, \$0.01 par value per share, 250,000 shares authorized; 180,361, 180,361 and 140,961 shares issued and outstanding as of September 30, 2021, June 30, 2021 and September 30, 2020, respectively	1,804	1,804	1,409
Additional paid-in-capital	1,804,354	1,730,083	1,487,774
Accumulated overdistributed earnings	(493,335)	(429,473)	(574,304)
Total net assets (equivalent to \$7.28, \$7.22 and \$6.49 per common share as of September 30, 2021, June 30, 2021 and September 30, 2020, respectively)	1,312,823	1,302,414	914,879
Total liabilities and net assets	\$ 2,636,387	\$ 2,462,708	\$ 1,640,712

Oaktree Specialty Lending Corporation
Consolidated Statements of Operations
(in thousands, except per share amounts)

	Three months ended September 30, 2021 (unaudited)	Three months ended June 30, 2021 (unaudited)	Three months ended September 30, 2020 (unaudited)	Year ended September 30, 2021	Year ended September 30, 2020
Interest income:					
Control investments	\$ 3,670	\$ 3,405	\$ 2,330	\$ 11,792	\$ 9,832
Affiliate investments	279	189	88	716	467
Non-control/Non-affiliate investments	51,144	48,403	34,733	161,864	114,947
Interest on cash and cash equivalents	1	2	2	9	322
Total interest income	55,094	51,999	37,153	174,381	125,568
PIK interest income:					
Non-control/Non-affiliate investments	4,960	4,597	2,573	16,447	7,863
Total PIK interest income	4,960	4,597	2,573	16,447	7,863
Fee income:					
Control investments	13	13	15	59	42
Affiliate investments	5	5	5	20	20
Non-control/Non-affiliate investments	627	7,805	3,551	14,019	8,457
Total fee income	645	7,823	3,571	14,098	8,519
Dividend income:					
Control investments	3,101	1,019	299	4,459	1,180
Non-control/Non-affiliate investments	—	—	3	—	3
Total dividend income	3,101	1,019	302	4,459	1,183
Total investment income	63,800	65,438	43,599	209,385	143,133
Expenses:					
Base management fee	9,768	8,905	6,005	32,288	22,895
Part I incentive fee	6,015	6,990	5,206	21,598	15,194
Part II incentive fee	1,629	2,837	—	17,615	(5,557)
Professional fees	1,288	1,059	678	4,231	2,532
Directors fees	160	147	142	607	570
Interest expense	9,032	8,823	6,133	30,518	26,289
Administrator expense	463	421	330	1,510	1,524
General and administrative expenses	716	716	560	2,725	2,494
Total expenses	29,071	29,898	19,054	111,092	65,941
Reversal of fees waived (fees waived)	(750)	(750)	—	(1,608)	5,200
Net expenses	28,321	29,148	19,054	109,484	71,141
Net investment income before taxes	35,479	36,290	24,545	99,901	71,992
(Provision) benefit for taxes on net investment income	(2,437)	(358)	—	(2,795)	—
Net investment income	33,042	35,932	24,545	97,106	71,992
Unrealized appreciation (depreciation):					
Control investments	1,395	3,590	10,117	31,731	(29,488)
Affiliate investments	355	109	76	568	(1,763)
Non-control/Non-affiliate investments	(3,311)	(898)	29,922	80,531	10,904
Foreign currency forward contracts	(537)	1,116	(647)	1,689	(267)
Net unrealized appreciation (depreciation)	(2,098)	3,917	39,468	114,519	(20,614)
Realized gains (losses):					
Control investments	—	—	(4,932)	—	(4,155)
Non-control/Non-affiliate investments	827	9,350	13,502	27,094	(4,615)
Extinguishment of unsecured notes payable	—	—	—	—	(2,541)
Foreign currency forward contracts	2,912	(740)	(2,123)	(674)	(2,613)
Net realized gains (losses)	3,739	8,610	6,447	26,420	(13,924)
(Provision) benefit for taxes on realized and unrealized gains (losses)	1,878	(1,421)	157	(785)	1,770
Net realized and unrealized gains (losses), net of taxes	3,519	11,106	46,072	140,154	(32,768)
Net increase (decrease) in net assets resulting from operations	\$ 36,561	\$ 47,038	\$ 70,617	\$ 237,260	\$ 39,224
Net investment income per common share — basic and diluted	\$ 0.18	\$ 0.20	\$ 0.17	\$ 0.60	\$ 0.51
Earnings (loss) per common share — basic and diluted	\$ 0.20	\$ 0.26	\$ 0.50	\$ 1.46	\$ 0.28
Weighted average common shares outstanding — basic and diluted	180,361	180,361	140,961	162,118	140,961



OAKTREE

OCSL | Specialty Lending Corporation

FOURTH QUARTER 2021
NOVEMBER 16, 2021

EARNINGS PRESENTATION
NASDAQ: OCSL



Forward Looking Statements & Legal Disclosures

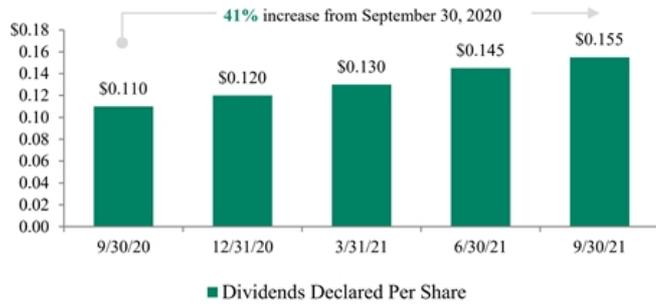
Some of the statements in this presentation constitute forward-looking statements because they relate to future events or our future performance or financial condition. The forward-looking statements contained in this presentation may include statements as to: our future operating results and distribution projections; the ability of Oaktree Fund Advisors, LLC (together with its affiliates, "Oaktree") to reposition our portfolio and to implement Oaktree's future plans with respect to our business; the ability of Oaktree and its affiliates to attract and retain highly talented professionals; our business prospects and the prospects of our portfolio companies; the impact of the investments that we expect to make; the ability of our portfolio companies to achieve their objectives; our expected financings and investments and additional leverage we may seek to incur in the future; the adequacy of our cash resources and working capital; the timing of cash flows, if any, from the operations of our portfolio companies; and the cost or potential outcome of any litigation to which we may be a party. In addition, words such as "anticipate," "believe," "expect," "seek," "plan," "should," "estimate," "project" and "intend" indicate forward-looking statements, although not all forward-looking statements include these words. The forward-looking statements contained in this presentation involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in "Risk Factors" and elsewhere in our annual report on Form 10-K for the fiscal year ended September 30, 2021. Other factors that could cause actual results to differ materially include: changes or potential disruptions in our operations, the economy, financial markets or political environment; risks associated with possible disruption in our operations or the economy generally due to terrorism, natural disasters or the COVID-19 pandemic; future changes in laws or regulations (including the interpretation of these laws and regulations by regulatory authorities) and conditions in our operating areas, particularly with respect to business development companies or regulated investment companies; general considerations associated with the COVID-19 pandemic; the ability to realize the anticipated benefits of the merger of Oaktree Strategic Income Corporation ("OCSI") with and into us (the "Merger"); and other considerations that may be disclosed from time to time in our publicly disseminated documents and filings.

We have based the forward-looking statements included in this presentation on information available to us on the date of this presentation, and we assume no obligation to update any such forward-looking statements. Although we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise, you are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

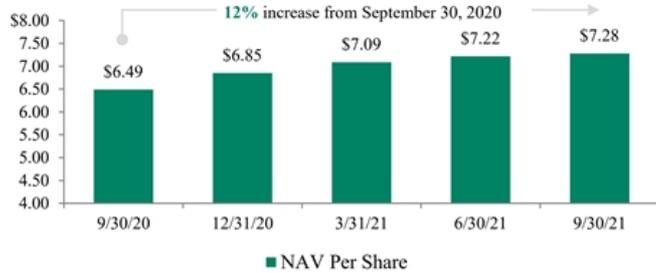


Full Year 2021 Highlights

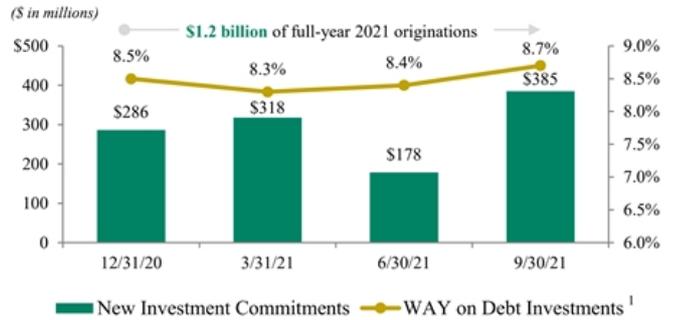
INCREASED DIVIDEND



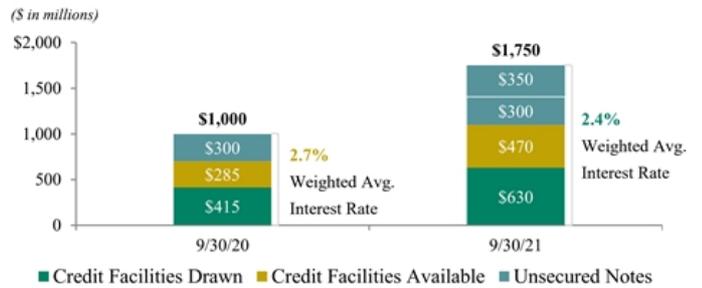
NAV PER SHARE ACCRETION



STRONG NEW INVESTMENT ACTIVITY & IMPROVED TOTAL DEBT PORTFOLIO YIELD



FURTHER STRENGTHENED THE CAPITAL STRUCTURE



Full year 2021 was further bolstered by the closing of the merger with Oaktree Strategic Income, which increased the size and scale of OCSL

¹ Annual stated yield earned plus net annual amortization of OID or premium earned on accruing investments, including the Company's share of the return on debt investments in the Kemper JV and Glick JV, and excluding any amortization or accretion of interest income resulting solely from the cost basis established by ASC 805 for the assets acquired in connection with the Merger. See page 21 for a description of the non-GAAP financial measures.



Highlights for the Quarter Ended September 30, 2021

NET ASSET VALUE PER SHARE	<ul style="list-style-type: none">• \$7.28, up 1% from \$7.22 as of June 30, 2021 and up 10% from \$6.61 as of December 31, 2019 (prior to the onset of the pandemic)• Quarterly increase primarily due to realized and unrealized gains on certain debt and equity investments and undistributed net investment income
ADJUSTED NET INVESTMENT INCOME ¹	<ul style="list-style-type: none">• \$0.16 per share, as compared with \$0.19 per share for the quarter ended June 30, 2021, primarily reflecting lower one-time OID acceleration and prepayment income from investments that were repaid in the June quarter and lower amendment fees• GAAP net investment income was \$0.18 per share, as compared with \$0.20 per share for the quarter ended June 30, 2021
DIVIDEND	<ul style="list-style-type: none">• Declared a cash distribution of \$0.155 per share, an increase of 7% from the prior quarter and 41% from one year ago• Sixth consecutive quarter with a distribution increase• Distribution will be payable on December 31, 2021 to stockholders of record as of December 15, 2021
INVESTMENT ACTIVITY	<ul style="list-style-type: none">• \$385 million of new investment commitments; 8.6% weighted average yield on new debt investments• \$416 million of new investment fundings and received \$202 million of proceeds from prepayments, exits, other paydowns and sales, which had a weighted average yield of 6.4%
INVESTMENT PORTFOLIO	<ul style="list-style-type: none">• \$2.6 billion at fair value diversified across 138 portfolio companies• 8.7% weighted average yield on debt investments, up from 8.4% as of June 30, 2021• No investments on non-accrual status
CAPITAL STRUCTURE & LIQUIDITY	<ul style="list-style-type: none">• 0.97x total debt to equity ratio, up as compared with 0.86x as of June 30, 2021• 0.95x net debt to equity ratio, up as compared with 0.79x as of June 30, 2021• \$29 million of cash and \$470 million of undrawn capacity on credit facilities• Amended Citibank Facility to, among other things, resize the facility, extend the maturity date and modify the interest rate on outstanding borrowings

¹ See page 21 for a description of this non-GAAP measure.



Portfolio Summary as of September 30, 2021

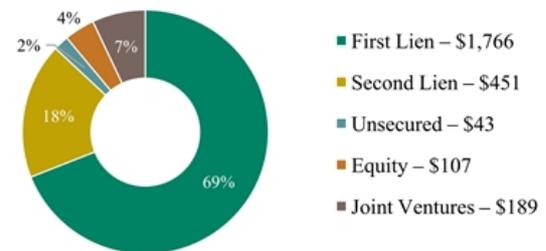
PORTFOLIO CHARACTERISTICS

(At fair value)

\$2.6bn TOTAL INVESTMENTS	138 PORTFOLIO COMPANIES
8.7% WEIGHTED AVERAGE YIELD ON DEBT INVESTMENTS	\$106mm MEDIAN DEBT PORTFOLIO COMPANY EBITDA ¹
87% SENIOR SECURED DEBT INVESTMENTS	0 NON-ACCRUALS

PORTFOLIO COMPOSITION

(As % of total portfolio at fair value; \$ in millions)



TOP TEN SUB-INDUSTRIES^{2, 3}

(As % of total portfolio at fair value)



Note: Numbers may not sum due to rounding.

¹ Excludes negative EBITDA borrowers, investments in aviation subsidiaries, investments in structured products and recurring revenue software investments.

² Based on GICS sub-industry classification.

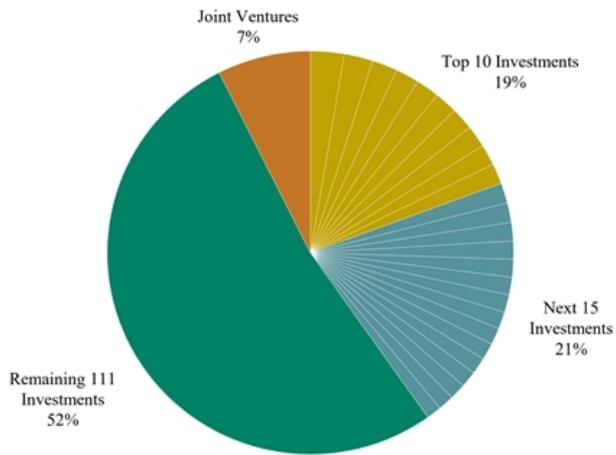
³ Excludes multi-sector holdings, which is primarily composed of investments in Senior Loan Fund JV I LLC (the "Kemper JV") and OCSI Glick JV (the "Glick JV"), joint ventures that invest primarily in senior secured loans of middle market companies.



Portfolio Diversity

DIVERSITY BY INVESTMENT SIZE

(As % of total portfolio at fair value)



PORTFOLIO BY INDUSTRY¹

(As % of total portfolio at fair value)

Industry	% of Portfolio
Software	14.8%
IT Services	6.6
Pharmaceuticals	5.6
Health Care Providers & Services	4.8
Chemicals	4.5
Biotechnology	4.4
Personal Products	4.1
Machinery	3.5
Specialty Retail	3.5
Diversified Financial Services	3.3
Oil, Gas & Consumable Fuels	3.0
Aerospace & Defense	2.7
Remaining 29 Industries	31.7
Joint Ventures	7.4

OCSL's portfolio is diverse across borrowers and industries

As of September 30, 2021

Note: Numbers may not sum due to rounding.

¹ Based on GICS industry classification.



Investment Activity

NEW INVESTMENT HIGHLIGHTS

<p>\$385mm</p> <p>NEW INVESTMENT COMMITMENTS</p>	<p>\$416mm</p> <p>NEW INVESTMENT FUNDINGS¹</p>
<p>8.6%</p> <p>WEIGHTED AVERAGE YIELD ON NEW DEBT COMMITMENTS</p>	<p>100%</p> <p>ALSO HELD BY OTHER OAKTREE FUNDS</p>
<p>\$345mm</p> <p>NEW INVESTMENT COMMITMENTS IN NEW PORTFOLIO COMPANIES</p>	<p>\$40mm</p> <p>NEW INVESTMENT COMMITMENTS IN EXISTING PORTFOLIO COMPANIES</p>

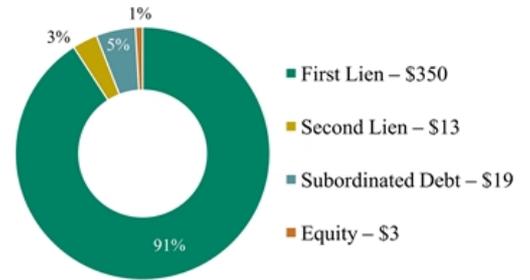
HISTORICAL FUNDED ORIGINATIONS AND EXITS

(\$ in millions)



NEW INVESTMENT COMPOSITION

(As % of new investment commitments; \$ in millions)



Note: Numbers rounded to the nearest million or percentage point and may not sum as a result.
¹ New funded investments includes drawdowns on existing delayed draw and revolver commitments.
² Investment exits includes proceeds from prepayments, exits, other paydowns and sales.



Investment Activity (continued)

NEW INVESTMENT COMMITMENT DETAIL

(\$ in millions)

Fiscal Quarter	Investment Commitments	Number of Deals	Security Type			Market			Avg. Secondary Purchase Price
			First Lien	Second Lien	Unsecured & Other	Private Placement	Primary (Public)	Secondary (Public)	
2Q2020	\$273	39	\$210	\$21	\$42	\$141	\$58	\$75	83%
3Q2020	261	18	177	8	76	154	71	35	74
4Q2020	148	10	123	25	0.5	90	57	2	96
1Q2021	286	21	196	90	--	181	84	22	93
2Q2021	318	20	253	44	21	245	63	10	93
3Q2021	178	10	141	25	12	104	70	5	97
4Q2021	385	20	350	13	23	304	79	2	100

Note: Numbers may not sum due to rounding. Excludes any positions originated, purchased and sold within the same quarter.



Financial Highlights

<i>(\$ and number of shares in thousands, except per share amounts)</i>	As of				
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2020
GAAP Net Investment Income per Share	\$0.18	\$0.20	\$0.12	\$0.07	\$0.17
<i>Adjusted Net Investment Income per Share¹</i>	<i>\$0.16</i>	<i>\$0.19</i>	<i>\$0.14</i>	<i>\$0.14</i>	<i>\$0.17</i>
Net Realized and Unrealized Gains (Losses), Net of Taxes per Share	\$0.02	\$0.06	\$0.48	\$0.39	\$0.33
<i>Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes per Share¹</i>	<i>\$0.05</i>	<i>\$0.09</i>	<i>\$0.25</i>	<i>\$0.39</i>	<i>\$0.33</i>
Earnings (Loss) per Share	\$0.20	\$0.26	\$0.60	\$0.46	\$0.50
<i>Adjusted Earnings (Loss) per Share¹</i>	<i>\$0.20</i>	<i>\$0.26</i>	<i>\$0.37</i>	<i>\$0.46</i>	<i>\$0.50</i>
Distributions per Share	\$0.145	\$0.130	\$0.120	\$0.110	\$0.105
NAV per Share	\$7.28	\$7.22	\$7.09	\$6.85	\$6.49
Weighted Average Shares Outstanding	180,361	180,361	146,652	140,961	140,961
Shares Outstanding, End of Period	180,361	180,361	180,361	140,961	140,961
Investment Portfolio (at Fair Value)	\$2,556,629	\$2,339,301	\$2,327,353	\$1,712,324	\$1,573,851
Cash and Cash Equivalents	\$29,334	\$84,689	\$39,872	\$24,234	\$39,096
Total Assets	\$2,636,387	\$2,462,708	\$2,433,413	\$1,793,903	\$1,640,712
Total Debt Outstanding ²	\$1,268,743	\$1,104,099	\$1,109,897	\$694,827	\$709,315
Net Assets	\$1,312,823	\$1,302,414	\$1,278,823	\$964,917	\$914,879
Total Debt to Equity Ratio	0.97x	0.86x	0.87x	0.73x	0.78x
Net Debt to Equity Ratio	0.95x	0.79x	0.84x	0.70x	0.74x
Weighted Average Interest Rate on Debt Outstanding ³	2.4%	2.4%	2.6%	2.7%	2.7%

¹ See page 21 for a description of the non-GAAP measures.

² Net of unamortized financing costs.

³ Includes effect of the interest rate swap agreement the Company entered into in connection with the issuance of the 2027 Notes.



Portfolio Highlights

<i>(\$ in thousands, at fair value)</i>	As of				
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2020
Investments at Fair Value	\$2,556,629	\$2,339,301	\$2,327,353	\$1,712,324	\$1,573,851
Number of Portfolio Companies	138	135	137	115	113
Average Portfolio Company Debt Investment Size	\$18,700	\$17,600	\$17,600	\$16,200	\$15,800
Asset Class:					
First Lien	69.1%	67.6%	68.3%	60.3%	62.3%
Second Lien	17.6	19.1	18.2	25.4	21.7
Unsecured Debt	1.7	1.4	1.1	3.1	4.2
Equity	4.2	3.9	4.4	3.8	4.1
Limited Partnership Interests	0.0	0.0	0.0	0.1	0.2
Joint Venture Interests	7.4	8.1	8.0	7.3	7.5
Interest Rate Type for Debt Investments:					
% Floating-Rate	91.5%	91.4%	91.8%	88.8%	88.3%
% Fixed-Rate	8.5	8.6	8.2	11.2	11.7
Yields:					
Weighted Average Yield on Debt Investments ¹	8.7%	8.4%	8.3%	8.5%	8.3%
Cash Component of Weighted Average Yield on Debt Investments	7.4	7.1	7.1	7.1	7.0
Weighted Average Yield on Total Portfolio Investments ²	8.3	8.0	7.8	8.0	7.8

Note: Numbers may not sum due to rounding.

¹ Annual stated yield earned plus net annual amortization of OID or premium earned on accruing investments, including the Company's share of the return on debt investments in the Kemper JV and Glick JV, and excluding any amortization or accretion of interest income resulting solely from the cost basis established by ASC 805 for the assets acquired in connection with the Merger. See page 21 for a description of the non-GAAP financial measures.

² Annual stated yield earned plus net annual amortization of OID or premium earned on accruing investments and dividend income, including the Company's share of the return on debt investments in the Kemper JV and Glick JV, and excluding any amortization or accretion of interest income resulting solely from the cost basis established by ASC 805 for the assets acquired in connection with the Merger. See page 21 for a description of the non-GAAP financial measures.



Investment Activity

(\$ in thousands)	As of				
	9/30/2021	6/30/2021	3/31/2021 ¹	12/31/2020	9/30/2020
New Investment Commitments	\$385,000	\$178,400	\$317,700	\$286,300	\$148,500
New Funded Investment Activity ²	\$416,400	\$165,300	\$301,800	\$241,500	\$146,300
Proceeds from Prepayments, Exits, Other Paydowns and Sales	\$201,800	\$170,600	\$228,900	\$160,700	\$184,200
Net New Investments ³	\$214,600	\$(5,300)	\$72,900	\$80,800	\$(37,900)
New Investment Commitments in New Portfolio Companies	14	9	18	14	8
New Investment Commitments in Existing Portfolio Companies	6	1	2	7	3
Portfolio Company Exits	11	11	12	12	12
Weighted Average Yield at Cost on New Debt Investment Commitments	8.6%	9.2%	8.2%	8.7%	10.6%

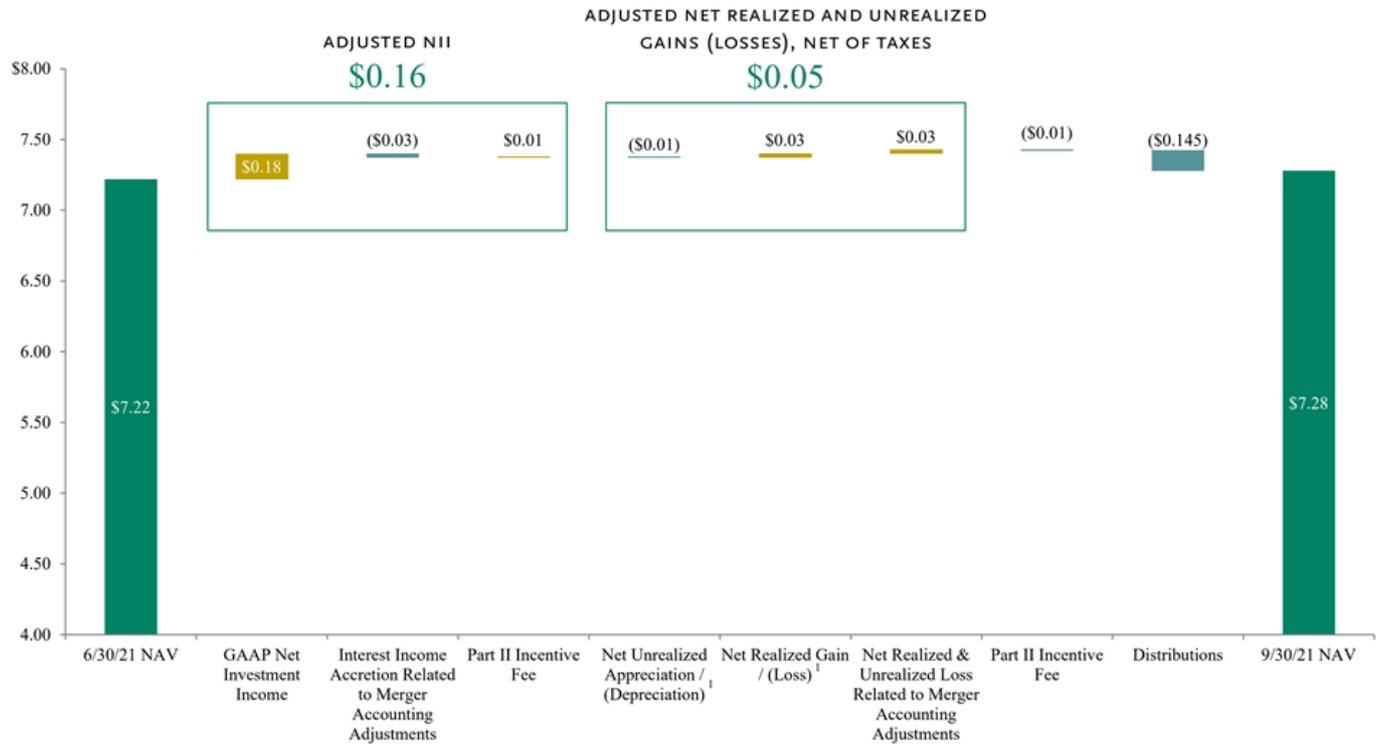
¹ Excludes the assets acquired in the Merger.

² New funded investment activity includes drawdowns on existing revolver commitments. Includes \$103 million of unsettled purchases as of December 31, 2020.

³ Net new investments consists of new funded investment activity less proceeds from prepayments, exits, other paydowns and sales.



Net Asset Value Per Share Bridge



Note: Net asset value per share amounts are based on the shares outstanding at each respective quarter end. Net investment income per share, net unrealized appreciation / (depreciation), and net realized gain / (loss) are based on the weighted average number of shares outstanding for the period. Numbers may not sum due to rounding. See page 21 for a description of the non-GAAP measures.

¹ Excludes reclassifications of net unrealized appreciation / (depreciation) to net realized gains / (losses) as a result of investments exited during the quarter.



Capital Structure Overview

0.85x to 1.00x
TARGET LEVERAGE RATIO

**Investment
Grade Rated**
BY MOODY'S AND FITCH

51%
UNSECURED
BORROWINGS

\$499mm
AVAILABLE LIQUIDITY³

FUNDING SOURCES

(\$ in millions)

	Committed	Principal Outstanding	Interest Rate	Maturity
Syndicated Credit Facility	\$950	\$495	LIBOR + 2.00%	5/4/2026
Citibank Facility	150	135	LIBOR + 1.25%-2.25% ¹	7/18/2024
2025 Notes	300	300	3.500%	2/25/2025
2027 Notes	350	350	2.700% (LIBOR + 1.658%) ²	1/15/2027
Cash and Cash Equivalents	--	(29)	--	--
Total	\$1,750	\$1,251		
Weighted Average Interest Rate		2.4%		
Net Debt to Equity Ratio		0.95x		

MATURITIES

(\$ in millions)



Diverse and flexible sources of debt capital with no near-term maturities

As of September 30, 2021

Note: Numbers may not sum due to rounding.

¹ The interest rate on outstanding borrowings is LIBOR plus 1.25%-2.20% on broadly syndicated loans subject to observable market depth and LIBOR plus 2.25% on all other eligible loans.

² The Company entered into an interest rate swap agreement under which the Company receives a fixed interest rate of 2.700% and pays a floating rate of the three-month LIBOR plus 1.658% on a notional amount of \$350 million.

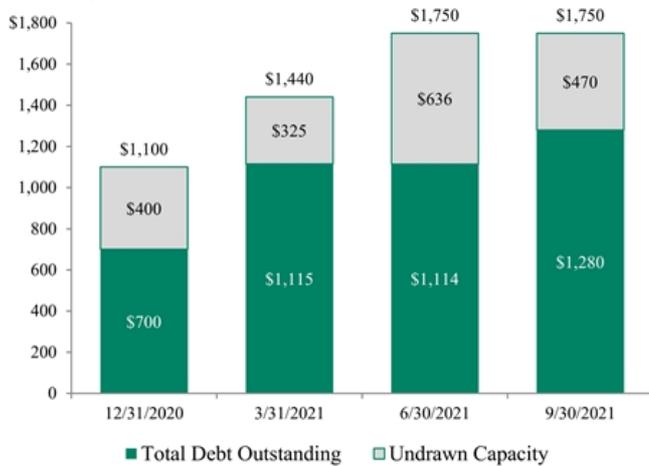
³ Liquidity was composed of \$29.3 million of unrestricted cash and cash equivalents and \$470.0 million of undrawn capacity under the credit facilities (subject to borrowing base and other limitations).



Funding and Liquidity Metrics

LEVERAGE UTILIZATION

(\$ in millions)



	12/31/2020	3/31/2021	6/30/2021	9/30/2021
Cash	\$24	\$40	\$85	\$29
Net Assets	\$965	\$1,279	\$1,302	\$1,313
Net Leverage	0.70x	0.84x	0.79x	0.95x
Total Leverage	0.73x	0.87x	0.86x	0.97x

¹ Excludes unfunded commitments to the Kemper JV and Glick JV.

² Includes unfunded commitments ineligible to be drawn due to certain limitations in credit agreements.

³ As of September 30, 2021, we have analyzed cash and cash equivalents, availability under our credit facilities, the ability to rotate out of certain assets and amounts of unfunded commitments that could be drawn and believe our liquidity and capital resources are sufficient to take advantage of market opportunities in the current economic climate.

LIQUIDITY OVERVIEW

(\$ in millions)

	12/31/2020	3/31/2021	6/30/2021	9/30/2021
Credit Facility Committed	\$800	\$1,140	\$1,100	\$1,100
Credit Facility Drawn	(400)	(815)	(464)	(630)
Cash and Cash Equivalents	24	40	85	29
Total Liquidity	424	365	721	499
Total Unfunded Commitments ¹	(198)	(242)	(239)	(216)
Unavailable Unfunded Commitments ²	48	50	73	62
Adjusted Liquidity	\$274	\$173	\$555	\$345

Ample liquidity to support funding needs³



Strategic Joint Ventures are Accretive to Earnings

OCSL'S JOINT VENTURES ARE INCOME-ENHANCING VEHICLES THAT PRIMARILY INVEST IN SENIOR SECURED LOANS OF MIDDLE MARKET COMPANIES AND OTHER CORPORATE DEBT SECURITIES

Key Attributes of Joint Ventures:

- Equity ownership: 87.5% OCSL and 12.5% joint venture partner
- Shared voting control: 50% OCSL and 50% joint venture partner

KEMPER JV CHARACTERISTICS

(At fair value)

\$134mm OCSL'S INVESTMENTS IN THE KEMPER JV	5.2% % OF OCSL'S PORTFOLIO	\$3.5mm NET INVESTMENT INCOME ¹
--	---	---

GLICK JV CHARACTERISTICS

(At fair value)

\$56mm OCSL'S INVESTMENTS IN THE GLICK JV	2.2% % OF OCSL'S PORTFOLIO	\$1.4mm NET INVESTMENT INCOME ²
--	---	---

COMBINED PORTFOLIO SUMMARY

INVESTMENT PORTFOLIO	FIRST LIEN	PORTFOLIO COMPANY COUNT	WTD. AVG. DEBT PORTFOLIO YIELD	LEVERAGE RATIO
\$471mm	93%	60	5.9%	1.3x

As of September 30, 2021

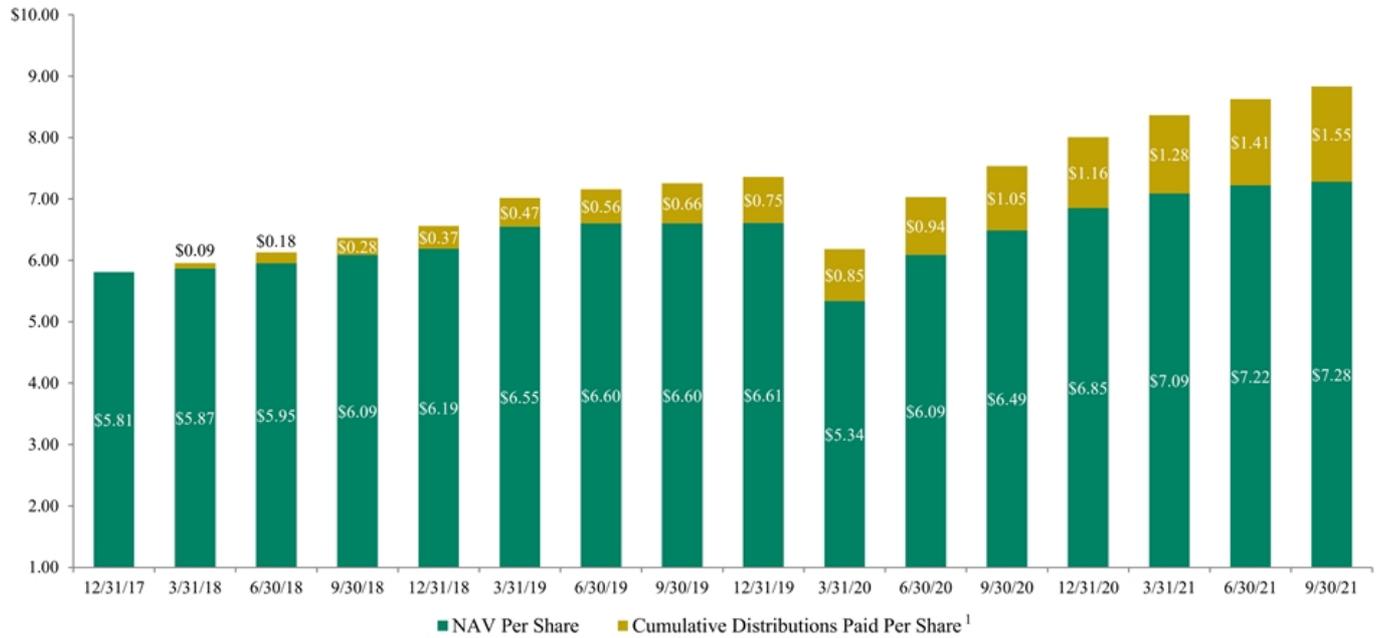
¹ Represents OCSL's 87.5% share of the Kemper JV's net investment income (excluding subordinated note interest expense) earned during the quarter ended September 30, 2021.

² Represents OCSL's 87.5% share of the Glick JV's net investment income (excluding subordinated note interest expense) earned during the quarter ended September 30, 2021.



Compelling Performance Under Oaktree Management

NAV AND CUMULATIVE DISTRIBUTIONS PAID PER SHARE



OCSL has generated an 11.8% annualized return on equity under Oaktree management²

¹ Cumulative distributions declared and paid from December 31, 2017 through September 30, 2021.

² Annualized return on equity calculated as the change in net asset value plus distributions paid from December 31, 2017 through September 30, 2021.



Opportunities to Increase Return on Equity

1

CONTINUE ROTATING INTO HIGHER-YIELDING INVESTMENTS

- Opportunity to improve the portfolio's yield by rotating out of lower-yielding investments into higher-yielding, proprietary ones
- Exited \$45 million of lower yielding senior secured loans during the quarter
- The weighted average yield of the debt portfolio increased to 8.7% from 8.4% last quarter, highlighting this progress
- \$83 million at fair value of senior secured loans with interest rates at or below LIBOR + 4.50%¹

2

CONTINUE TO OPERATE WITHIN TARGET LEVERAGE RANGE

- Maintaining a leverage ratio within the target range of 0.85x to 1.00x debt to equity may support the earnings power of the portfolio
- 0.95x net debt to equity, up from 0.79x last quarter following \$215 million of net new investment activity during the quarter ended September 30, 2021
- Ample dry powder with \$470 million of undrawn capacity under credit facilities²

3

OPTIMIZE JOINT VENTURES

- Opportunity to increase underlying joint venture portfolio yields by rotating into higher spread in investments
 - \$79 million of investments with interest rates at or below LIBOR + 3.75% in the Kemper and Glick JVs¹
- Utilize additional borrowings to operate within target leverage range
 - Target leverage range: 1.25x to 1.75x debt to equity
 - 1.4x and 1.1x total debt to equity at Kemper JV and Glick JV, respectively

We believe OCSL is well-positioned to provide further improvements to return on equity

As of September 30, 2021

¹ For senior secured loans that have a cost basis above 92.5%.

² Subject to borrowing base and other limitations.

Appendix



OAKTREE
OCSL | Specialty Lending Corporation



Non-Core Investment Portfolio Detail

NON-CORE INVESTMENT PORTFOLIO CHARACTERISTICS

DEBT INVESTMENTS

- \$74 million at fair value in four companies
- Received \$3 million partial paydowns in one investment during the quarter ended September 30, 2021

EQUITY INVESTMENTS¹

- \$52 million at fair value in 15 companies and limited partnership interests in one third-party managed fund

AVIATION

- \$8 million at fair value in one aircraft

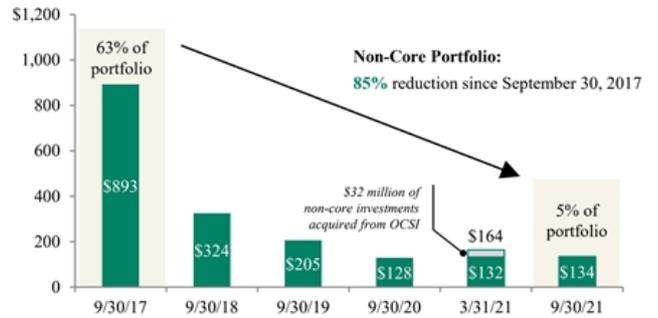
NON-CORE PORTFOLIO COMPOSITION

(At fair value; \$ in millions)



NON-CORE PORTFOLIO PROGRESSION²

(At fair value; \$ in millions)



Note: Numbers may not sum due to rounding.

¹ Excludes OCSL's equity investment in First Star Speir Aviation Limited.

² Excludes investments in the Kemper JV and Glick JV.



Quarterly Statement of Operations

<i>(In thousands)</i>	For the three months ended				
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2020
INVESTMENT INCOME					
Interest income	\$55,094	\$51,999	\$35,655	\$31,633	\$37,153
PIK interest income	4,960	4,597	3,801	3,089	2,573
Fee income	645	7,823	2,278	3,352	3,571
Dividend income	3,101	1,019	209	130	302
GAAP total investment income	63,800	65,438	41,943	38,204	43,599
Less: Interest income accretion related to merger accounting adjustments	(5,571)	(5,060)	(665)	--	--
Adjusted total investment income	58,229	60,378	41,278	38,204	43,599
EXPENSES					
Base management fee	9,768	8,905	7,074	6,541	6,005
Part I incentive fee	6,015	6,990	4,444	4,149	5,206
Part II incentive fee	1,629	2,837	3,609	9,540	--
Interest expense	9,032	8,823	6,568	6,095	6,133
Other operating expenses ¹	2,627	2,343	2,242	1,861	1,710
Total expenses	29,071	29,898	23,937	28,186	19,054
Reversal of fees waived (fees waived)	(750)	(750)	(108)	--	--
Net expenses	28,321	29,148	23,829	28,186	19,054
(Provision) benefit for taxes on net investment income	(2,437)	(358)	--	--	--
GAAP net investment income	33,042	35,932	18,114	10,018	24,545
Less: Interest income accretion related to merger accounting adjustments	(5,571)	(5,060)	(665)	--	--
Add: Part II incentive fee	1,629	2,837	3,609	9,540	--
Adjusted net investment income	\$29,100	\$33,709	\$21,058	\$19,558	\$24,545

Note: See page 21 for a description of the non-GAAP measures.

¹ Includes professional fees, directors fees, administrator expense and general and administrative expenses.



Quarterly Statement of Operations (continued)

(\$ in thousands, except per share amounts)	For the three months ended				
	9/30/2021	6/30/2021	3/31/2021	12/31/2020	9/30/2020
NET REALIZED AND UNREALIZED GAINS (LOSSES)					
Net unrealized appreciation (depreciation)	\$ (2,098)	\$ 3,917	\$ 65,144	\$ 47,556	\$ 39,468
Net realized gains (losses)	3,739	8,610	5,856	8,215	6,447
(Provision) benefit for taxes on realized and unrealized gains (losses)	1,878	(1,421)	(997)	(245)	157
GAAP net realized and unrealized gains (losses), net of taxes	\$ 3,519	\$ 11,106	\$ 70,003	\$ 55,526	\$ 46,072
Less: Net realized and unrealized losses (gains) related to merger accounting adjustments	5,569	5,045	(33,396)	--	--
Adjusted net realized and unrealized gains (losses), net of taxes	\$ 9,088	\$ 16,151	\$ 36,607	\$ 55,526	\$ 46,072
GAAP net increase (decrease) in net assets resulting from operations	\$ 36,561	\$ 47,038	\$ 88,117	\$ 65,544	\$ 70,617
Less: Interest income accretion related to merger accounting adjustments	(5,571)	(5,060)	(665)	--	--
Less: Net realized and unrealized losses (gains) related to merger accounting adjustments	5,569	5,045	(33,396)	--	--
Adjusted earnings (loss)	\$ 36,559	\$ 47,023	\$ 54,056	\$ 65,544	\$ 70,617
PER SHARE DATA:					
GAAP total investment income	\$ 0.35	\$ 0.36	\$ 0.29	\$ 0.27	\$ 0.31
Adjusted total investment income	0.32	0.33	0.28	0.27	0.31
GAAP net investment income	0.18	0.20	0.12	0.07	0.17
Adjusted net investment income	0.16	0.19	0.14	0.14	0.17
GAAP net realized and unrealized gains (losses), net of taxes	0.02	0.06	0.48	0.39	0.33
Adjusted net realized and unrealized gains (losses), net of taxes	0.05	0.09	0.25	0.39	0.33
GAAP net increase/decrease in net assets resulting from operations	0.20	0.26	0.60	0.46	0.50
Adjusted earnings (loss)	0.20	0.26	0.37	0.46	0.50
Weighted average common shares outstanding	180,361	180,361	146,652	140,961	140,961
Shares outstanding, end of period	180,361	180,361	180,361	140,961	140,961

Note: See page 21 for a description of the non-GAAP measures.



Non-GAAP Disclosures

On March 19, 2021, the Company completed the Merger. The Merger was accounted for as an asset acquisition in accordance with the asset acquisition method of accounting as detailed in ASC 805-50, Business Combinations—Related Issues ("ASC 805"). The consideration paid to OCSL's stockholders was allocated to the individual assets acquired and liabilities assumed based on the relative fair values of the net identifiable assets acquired other than "non-qualifying" assets, which established a new cost basis for the acquired OCSL investments under ASC 805 that, in aggregate, was significantly lower than the historical cost basis of the acquired OCSL investments prior to the Merger. Additionally, immediately following the completion of the Merger, the acquired OCSL investments were marked to their respective fair values under ASC 820, Fair Value Measurements, which resulted in unrealized appreciation. The new cost basis established by ASC 805 on debt investments acquired will accrete over the life of each respective debt investment through interest income, with a corresponding adjustment recorded to unrealized appreciation on such investment acquired through its ultimate disposition. The new cost basis established by ASC 805 on equity investments acquired will not accrete over the life of such investments through interest income and, assuming no subsequent change to the fair value of the equity investments acquired and disposition of such equity investments at fair value, the Company will recognize a realized gain with a corresponding reversal of the unrealized appreciation on disposition of such equity investments acquired.

On March 19, 2021, in connection with the closing of the Merger, OCSL entered into an amended and restated investment advisory agreement (the "A&R Advisory Agreement") with Oaktree. The A&R Advisory Agreement amended and restated the existing investment advisory agreement, dated as of May 4, 2020, by and between the Company and Oaktree to (1) waive an aggregate of \$6 million of base management fees otherwise payable to Oaktree in the two years following the closing of the Merger at a rate of \$750,000 per quarter (with such amount appropriately prorated for any partial quarter) and (2) revise the calculation of the incentive fees to eliminate certain unintended consequences of the accounting treatment of the Merger on the incentive fees payable to Oaktree.

The Company's management uses the non-GAAP financial measures described above internally to analyze and evaluate financial results and performance and to compare its financial results with those of other business development companies that have not adjusted the cost basis of certain investments pursuant to ASC 805. The Company's management believes "Adjusted Total Investment Income", "Adjusted Total Investment Income Per Share", "Adjusted Net Investment Income" and "Adjusted Net Investment Income Per Share" are useful to investors as an additional tool to evaluate ongoing results and trends for the Company without giving effect to the accretion income resulting from the new cost basis of the OCSL investments acquired in the Merger because these amounts do not impact the fees payable to Oaktree under the A&R Advisory Agreement, and specifically as it relates to "Adjusted Net Investment Income" and "Adjusted Net Investment Income Per Share", without giving effect to Part II incentive fees. In addition, the Company's management believes that "Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes", "Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes Per Share", "Adjusted Earnings (Loss)" and "Adjusted Earnings (Loss) Per Share" are useful to investors as they exclude the non-cash income/gain resulting from the Merger and used by management to evaluate the economic earnings of its investment portfolio. Moreover, these metrics align the Company's key financial measures with the calculation of incentive fees payable to Oaktree under with the A&R Advisory Agreement (i.e., excluding amounts resulting solely from the lower cost basis of the acquired OCSL investments established by ASC 805 that would have been to the benefit of Oaktree absent such exclusion).



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