

**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): April 30, 2024**

**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:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
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 April 30, 2024, Oaktree Specialty Lending Corporation (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended March 31, 2024. A copy of the press release is attached hereto as Exhibit 99.1.

On April 30, 2024, the Company will host a conference call to discuss its financial results for the fiscal quarter ended March 31, 2024. 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.

On April 30, 2024, the Company issued a press release announcing a permanent base management fee reduction. A copy of the press release is attached hereto as Exhibit 99.3.

The information disclosed under this Item 2.02, including Exhibits 99.1, 99.2 and 99.3 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 April 30, 2024](#)
- 99.2 [Oaktree Specialty Lending Corporation Second Quarter 2024 Earnings Presentation](#)
- 99.3 [Press release of Oaktree Specialty Lending Corporation dated April 30, 2024](#)
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

**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.

Date: April 30, 2024

OAKTREE SPECIALTY LENDING CORPORATION

By: /s/ Christopher McKown

Name: Christopher McKown

Title: Chief Financial Officer and Treasurer



**Oaktree Specialty Lending Corporation Announces Second Fiscal Quarter 2024 Financial Results and Declares Quarterly Distribution of \$0.55 Per Share**

*Announces Permanent Management Fee Reduction*

LOS ANGELES, CA, April 30, 2024 - 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 ended March 31, 2024.

**Financial Highlights for the Quarter Ended March 31, 2024**

- **Total investment income** was \$94.0 million (\$1.18 per share) for the second fiscal quarter of 2024, as compared with \$98.0 million (\$1.26 per share) for the first fiscal quarter of 2024. The decrease was primarily driven by purchase premium acceleration from the repayment of certain investments acquired in the mergers with Oaktree Strategic Income Corporation ("OCSI") and Oaktree Strategic Income II, Inc. ("OSI2"). Adjusted total investment income was \$97.3 million (\$1.22 per share) for the second fiscal quarter, as compared with \$98.0 million (\$1.26 per share) for the first fiscal quarter of 2024. The decrease was primarily driven by lower interest income from the timing of capital deployment and spread compression primarily resulting from the rotation out of second lien and subordinated investments. This was partially offset by higher fee income and higher original issue discount ("OID") acceleration from investment repayments.
- **GAAP net investment income** was \$41.4 million (\$0.52 per share) for the second fiscal quarter of 2024, as compared with \$44.2 million (\$0.57 per share) for the first fiscal quarter of 2024. The decrease for the quarter was primarily driven by lower total investment income, partially offset by lower part I incentive fees, professional fees and interest expense.
- **Adjusted net investment income** was \$44.7 million (\$0.56 per share) for the second fiscal quarter of 2024, as compared with \$44.2 million (\$0.57 per share) for the first fiscal quarter of 2024. The increase for the quarter was primarily driven by lower part I incentive fees, professional fees and interest expense, partially offset by lower adjusted total investment income. The per share decrease for the quarter was driven by an increase in weighted average shares outstanding.
- **Net asset value ("NAV") per share** was \$18.72 as of March 31, 2024, down as compared with \$19.14 as of December 31, 2023. The decline from December 31, 2023 primarily reflected realized and unrealized losses on certain debt and equity investments.
- **Originated** \$395.6 million of new investment commitments and received \$322.6 million of proceeds from prepayments, exits, other paydowns and sales during the quarter ended March 31, 2024. The weighted average yield on new debt investments was 11.1%.
- **Total debt outstanding** was \$1,680.0 million as of March 31, 2024. The total debt to equity ratio was 1.10x, and the net debt to equity ratio was 1.02x, after adjusting for cash and cash equivalents.
- **Liquidity** as of March 31, 2024 was composed of \$125.0 million of unrestricted cash and cash equivalents and \$887.5 million of undrawn capacity under the Company's credit facilities (subject to borrowing base and other limitations). Unfunded investment commitments were \$236.2 million, or \$209.1 million excluding unfunded commitments to the Company's joint ventures. Of the \$209.1 million, approximately \$179.0 million can be drawn immediately with the remaining amount subject to certain milestones that must be met by portfolio companies or other restrictions.
- **A quarterly cash distribution was declared** of \$0.55 per share. The distribution is payable in cash on June 28, 2024 to stockholders of record on June 14, 2024.
- **Waived additional base management fees** such that the total amount of waived base management fees (including those previously waived) will be \$1.5 million for each of the three months ended March 31, 2024 and June 30, 2024.

- **Announced a permanent reduction in the base management fee**, effective as of July 1, 2024, to an annual rate of 1.00% of total gross assets, including any investment made with borrowings, but excluding cash and cash equivalents, net of all other existing waivers of the base management fee, including the waiver set forth in the A&R Advisory Agreement.

Armen Panossian, Chief Executive Officer and Chief Investment Officer, said, "We generated strong portfolio activity in our fiscal second quarter that drove a continued shift in our investment composition toward first lien loans. During the quarter, we identified and sourced \$396 million of new investment commitments across private and public markets while also realizing \$323 million of repayments and sales, including \$109 million of junior positions. We also made progress repositioning several underperforming investments, achieving key milestones aimed at enhancing recoveries."

"We also announced a permanent reduction in the base management fee from 1.50% to 1.00% of assets, net of existing base management fee waivers," Mr. Panossian added. "We believe this permanent change to our fee structure demonstrates Oaktree's strong commitment to aligning its interests with shareholders. We have successfully grown OCSL since taking over as its investment advisor and this reduction in fees means that a larger portion of our investment income will flow to our shareholders. Today's announcement significantly enhances our earnings power and reinforces our dedication to maximizing shareholder value over the long term."

#### **Distribution Declaration**

The Board of Directors declared a quarterly distribution of \$0.55 per share. The distribution is payable in cash on June 28, 2024 to stockholders of record on June 14, 2024.

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		
	March 31, 2024 (unaudited)	December 31, 2023 (unaudited)	March 31, 2023 (unaudited)
(\$ in thousands, except per share data)			
<b>GAAP operating results:</b>			
Interest income	\$ 85,256	\$ 91,414	\$ 88,745
PIK interest income	4,816	3,849	4,123
Fee income	2,546	1,307	2,380
Dividend income	1,411	1,415	1,054
<b>Total investment income</b>	<b>94,029</b>	<b>97,985</b>	<b>96,302</b>
Net expenses	52,662	53,796	50,324
<b>Net investment income</b>	<b>41,367</b>	<b>44,189</b>	<b>45,978</b>
Net realized and unrealized gains (losses), net of taxes	(32,030)	(33,654)	(24,456)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ 9,337</b>	<b>\$ 10,535</b>	<b>\$ 21,522</b>
<b>Total investment income per common share</b>	<b>\$ 1.18</b>	<b>\$ 1.26</b>	<b>\$ 1.32</b>
<b>Net investment income per common share</b>	<b>\$ 0.52</b>	<b>\$ 0.57</b>	<b>\$ 0.63</b>
<b>Net realized and unrealized gains (losses), net of taxes per common share</b>	<b>\$ (0.40)</b>	<b>\$ (0.43)</b>	<b>\$ (0.34)</b>
<b>Earnings (loss) per common share — basic and diluted</b>	<b>\$ 0.12</b>	<b>\$ 0.14</b>	<b>\$ 0.29</b>
<b>Non-GAAP Financial Measures<sup>1</sup>:</b>			
<b>Adjusted total investment income</b>	<b>\$ 97,340</b>	<b>\$ 98,014</b>	<b>\$ 95,741</b>
<b>Adjusted net investment income</b>	<b>\$ 44,678</b>	<b>\$ 44,218</b>	<b>\$ 45,417</b>
<b>Adjusted net realized and unrealized gains (losses), net of taxes</b>	<b>\$ (35,344)</b>	<b>\$ (32,858)</b>	<b>\$ (3,501)</b>
<b>Adjusted earnings (loss)</b>	<b>\$ 9,334</b>	<b>\$ 11,360</b>	<b>\$ 41,916</b>
<b>Adjusted total investment income per share</b>	<b>\$ 1.22</b>	<b>\$ 1.26</b>	<b>\$ 1.31</b>
<b>Adjusted net investment income per share</b>	<b>\$ 0.56</b>	<b>\$ 0.57</b>	<b>\$ 0.62</b>
<b>Adjusted net realized and unrealized gains (losses), net of taxes per share</b>	<b>\$ (0.44)</b>	<b>\$ (0.42)</b>	<b>\$ (0.05)</b>
<b>Adjusted earnings (loss) per share</b>	<b>\$ 0.12</b>	<b>\$ 0.15</b>	<b>\$ 0.57</b>

<sup>1</sup> 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/loss resulting from the merger of OCSI with and into the Company in March 2021 (the "OCSI Merger") and the merger of OSI2 with and into the Company in January 2023 (the "OSI2 Merger") and, in the case of adjusted net investment income, without giving effect to capital gains incentive fees. The presentation of 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.

	As of		
	March 31, 2024 (unaudited)	December 31, 2023 (unaudited)	March 31, 2023 (unaudited)
(\$ in thousands, except per share data and ratios)			
<b>Select balance sheet and other data:</b>			
Cash and cash equivalents	\$ 125,031	\$ 112,369	\$ 43,750
Investment portfolio at fair value	3,047,445	3,018,552	3,164,860
<b>Total debt outstanding (net of unamortized financing costs)</b>	<b>1,635,642</b>	<b>1,622,717</b>	<b>1,723,840</b>
Net assets	1,524,099	1,511,651	1,515,150
Net asset value per share	18.72	19.14	19.66
Total debt to equity ratio	1.10x	1.10x	1.16x
Net debt to equity ratio	1.02x	1.02x	1.14x

Adjusted total investment income for the quarter ended March 31, 2024 was \$97.3 million and included \$88.6 million of interest income from portfolio investments, \$4.8 million of payment-in-kind ("PIK") interest income, \$2.5 million of fee income and \$1.4 million of dividend income. The \$0.7 million decline in adjusted total investment income was attributable to \$1.9 million of lower interest income, mainly the result of the timing of capital deployment and spread compression primarily resulting from the rotation out of second lien positions. This was partially offset by a \$1.2 million increase in fee income mainly driven by prepayment and amendment fees.

Net expenses for the quarter ended March 31, 2024 totaled \$52.7 million, down \$1.1 million from the quarter ended December 31, 2023. The decrease in net expenses was primarily driven by lower part I incentive fees, professional fees and interest expense during the quarter.

Adjusted net investment income was \$44.7 million (\$0.56 per share) for the quarter ended March 31, 2024, as compared to \$44.2 million (\$0.57 per share) for the quarter ended December 31, 2023. The increase for the quarter was primarily driven by \$1.1 of lower part I incentive fees, professional fees and interest expense, partially offset by \$0.7 million of lower adjusted total investment income. The per share decrease for the quarter was driven by an increase in weighted average shares outstanding.

Adjusted net realized and unrealized losses, net of taxes, was \$35.3 million for the quarter ended March 31, 2024, primarily reflecting realized and unrealized losses on certain debt and equity investments.

## Portfolio and Investment Activity

(\$ in thousands)	As of		
	March 31, 2024 (unaudited)	December 31, 2023 (unaudited)	March 31, 2023 (unaudited)
Investments at fair value	\$ 3,047,445	\$ 3,018,552	\$ 3,164,860
Number of portfolio companies	151	146	165
Average portfolio company debt size	\$ 20,100	\$ 20,200	\$ 18,800
<b>Asset class:</b>			
First lien debt	80.8 %	77.9 %	75.0 %
Second lien debt	5.4 %	8.4 %	13.0 %
Unsecured debt	2.6 %	2.5 %	1.9 %
Equity	4.8 %	4.8 %	4.1 %
JV interests	6.4 %	6.4 %	6.0 %
<b>Non-accrual debt investments:</b>			
Non-accrual investments at fair value	\$ 69,128	\$ 120,713	\$ 73,424
Non-accrual investments at cost	127,720	174,897	76,938
Non-accrual investments as a percentage of debt investments at fair value	2.4 %	4.2 %	2.4 %
Non-accrual investments as a percentage of debt investments at cost	4.3 %	5.9 %	2.5 %
Number of investments on non-accrual	5	7	2
<b>Interest rate type:</b>			
Percentage floating-rate	85.4 %	84.3 %	87.9 %
Percentage fixed-rate	14.6 %	15.7 %	12.1 %
<b>Yields:</b>			
Weighted average yield on debt investments <sup>1</sup>	12.2 %	12.2 %	11.9 %
Cash component of weighted average yield on debt investments	11.0 %	11.1 %	10.9 %
Weighted average yield on total portfolio investments <sup>2</sup>	11.7 %	11.7 %	11.5 %
<b>Investment activity:</b>			
New investment commitments	\$ 395,600	\$ 370,300	\$ 123,800
New funded investment activity <sup>3</sup>	\$ 377,400	\$ 367,600	\$ 103,600
Proceeds from prepayments, exits, other paydowns and sales	\$ 322,600	\$ 213,500	\$ 162,100
Net new investments <sup>4</sup>	\$ 54,800	\$ 154,100	\$ (58,500)
Number of new investment commitments in new portfolio companies	20	14	6
Number of new investment commitments in existing portfolio companies	15	10	3
Number of portfolio company exits	15	10	5

<sup>1</sup> 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 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 OCSI Merger and OSI2 Merger.

<sup>2</sup> 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 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 OCSI Merger and OSI2 Merger.

<sup>3</sup> New funded investment activity includes drawdowns on existing revolver and delayed draw term loan commitments.

<sup>4</sup> Net new investments consists of new funded investment activity less proceeds from prepayments, exits, other paydowns and sales.

As of March 31, 2024, the fair value of the investment portfolio was \$3.0 billion and was composed of investments in 151 companies. These included debt investments in 135 companies, equity investments in 42 companies, and the Company's joint venture investments in SLF JV I and OCSI Glick JV LLC ("Glick JV"). 28 of the equity investments were in companies in which the Company also had a debt investment.

As of March 31, 2024, 94.2% of the Company's portfolio at fair value consisted of debt investments, including 80.8% of first lien loans, 5.4% of second lien loans and 7.9% of unsecured debt investments, including the debt investments in SLF JV I and Glick JV. This compared to 77.9% of first lien loans, 8.4% of second lien loans and 7.9% of unsecured debt investments, including the debt investments in SLF JV I and Glick JV, as of December 31, 2023.

As of March 31, 2024, there were five investments on non-accrual status, which represented 4.3% and 2.4% of the debt portfolio at cost and fair value, respectively. This is down from seven investments on non-accrual status in the prior quarter, which represented 5.9% and 4.2% of the debt portfolio at cost and fair value, respectively.

#### *SLF JV I*

The Company's investments in SLF JV I totaled \$142.3 million at fair value as of March 31, 2024, up slightly as compared to \$142.2 million as of December 31, 2023.

As of March 31, 2024, SLF JV I had \$398.7 million in assets, including senior secured loans to 54 portfolio companies. This compared to \$372.8 million in assets, including senior secured loans to 52 portfolio companies, as of December 31, 2023. SLF JV I generated cash interest income of \$3.5 million for the Company during the quarter ended March 31, 2024, down slightly as compared to \$3.6 million in the prior quarter. In addition, SLF JV I generated dividend income of \$1.4 million for the Company during the quarter ended March 31, 2024, consistent with the prior quarter. As of March 31, 2024, SLF JV I had \$80.0 million of undrawn capacity (subject to borrowing base and other limitations) on its \$270 million senior revolving credit facility, and its debt to equity ratio was 1.3x.

#### *Glick JV*

The Company's investments in Glick JV totaled \$51.3 million at fair value as of March 31, 2024, up 0.6% from \$51.0 million as of December 31, 2023. The increase was primarily driven by Glick JV I's use of leverage and unrealized appreciation in the underlying investment portfolio.

As of March 31, 2024, Glick JV had \$154.7 million in assets, including senior secured loans to 49 portfolio companies. This compared to \$139.2 million in assets, including senior secured loans to 42 portfolio companies, as of December 31, 2023. Glick JV generated cash interest income of \$1.5 million during the quarter ended March 31, 2024, consistent with the prior quarter. As of March 31, 2024, Glick JV had \$6.0 million of undrawn capacity (subject to borrowing base and other limitations) on its \$80 million senior revolving credit facility, and its debt to equity ratio was 1.4x.

### **Liquidity and Capital Resources**

As of March 31, 2024, the Company had total principal value of debt outstanding of \$1,680.0 million, including \$730.0 million of outstanding borrowings under its revolving credit facilities, \$300.0 million of the 3.500% Notes due 2025, \$350.0 million of the 2.700% Notes due 2027 and \$300.0 million of the 7.100% Notes due 2029. The funding mix was composed of 43% secured and 57% unsecured borrowings as of March 31, 2024. The Company was in compliance with all financial covenants under its credit facilities as of March 31, 2024.

As of March 31, 2024, the Company had \$125.0 million of unrestricted cash and cash equivalents and \$887.5 million of undrawn capacity on its credit facilities (subject to borrowing base and other limitations). As of March 31, 2024, unfunded investment commitments were \$236.2 million, or \$209.1 million excluding unfunded commitments to the Company's joint ventures. Of the \$209.1 million, approximately \$179.0 million could be drawn immediately with the remaining amount subject to certain milestones that must be met by portfolio companies or other restrictions. 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 invest in market opportunities as they arise.

As of March 31, 2024, the weighted average interest rate on debt outstanding, including the effect of the interest rate swap agreements, was 7.0%, unchanged from the prior quarter.

The Company's total debt to equity ratio was 1.10x as of each of March 31, 2024 and December 31, 2023. The Company's net debt to equity ratio was 1.02x as of each of March 31, 2024 and December 31, 2023, respectively.



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**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/loss resulting from the OCSI Merger and the OSI2 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 OCSI Merger and the OSI2 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 OCSI Merger and the OSI2 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 OCSI Merger and the OSI2 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 fees<sup>1</sup>, if any.

The OCSI Merger and the OSI2 Merger (the “Mergers”) were accounted for as asset acquisitions 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 each of the stockholders of OCSI and OSI2 were 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 investments under ASC 805 that, in aggregate, was different than the historical cost basis of the acquired investments prior to the OCSI Merger or the OSI2 Merger, as applicable. Additionally, immediately following the completion of the Mergers, the acquired investments were marked to their respective fair values under ASC 820, *Fair Value Measurements*, which resulted in unrealized appreciation/depreciation. The new cost basis established by ASC 805 on debt investments acquired will accrete/amortize over the life of each respective debt investment through interest income, with a corresponding adjustment recorded to unrealized appreciation/depreciation on such investment acquired through its ultimate disposition. The new cost basis established by ASC 805 on equity investments acquired will not accrete/amortize 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/loss with a corresponding reversal of the unrealized appreciation/depreciation 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 income resulting from the new cost basis of the investments acquired in the Mergers because these amounts do not impact the fees payable to Oaktree Fund Advisors, LLC (the “Adviser”) under its second 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 Earnings (Loss)” and “Adjusted Earnings (Loss) Per Share” are useful to investors as they exclude the non-cash income and gain/loss resulting from the Mergers and are used by management to evaluate the economic earnings of its investment portfolio. Moreover, these metrics more closely 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 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:

<sup>1</sup> Adjusted earnings (loss) includes accrued Part II incentive fees. As of and for the three months ended March 31, 2024, there was no accrued Part II incentive fee liability. 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 three months ended March 31, 2024, no amounts were payable under the A&R Advisory Agreement.

(\$ in thousands, except per share data)	For the three months ended					
	March 31, 2024		December 31, 2023		March 31, 2023	
	(unaudited)		(unaudited)		(unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
GAAP total investment income	\$ 94,029	\$ 1.18	\$ 97,985	\$ 1.26	\$ 96,302	\$ 1.32
Interest income amortization (accretion) related to merger accounting adjustments	3,311	0.04	29	—	(561)	(0.01)
Adjusted total investment income	\$ 97,340	\$ 1.22	\$ 98,014	\$ 1.26	\$ 95,741	\$ 1.31

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:

(\$ in thousands, except per share data)	For the three months ended					
	March 31, 2024		December 31, 2023		March 31, 2023	
	(unaudited)		(unaudited)		(unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
GAAP net investment income	\$ 41,367	\$ 0.52	\$ 44,189	\$ 0.57	\$ 45,978	\$ 0.63
Interest income amortization (accretion) related to merger accounting adjustments	3,311	0.04	29	—	(561)	(0.01)
Part II incentive fee	—	—	—	—	—	—
Adjusted net investment income	\$ 44,678	\$ 0.56	\$ 44,218	\$ 0.57	\$ 45,417	\$ 0.62

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:

(\$ in thousands, except per share data)	For the three months ended					
	March 31, 2024		December 31, 2023		March 31, 2023	
	(unaudited)		(unaudited)		(unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
GAAP net realized and unrealized gains (losses), net of taxes	\$ (32,030)	\$ (0.40)	\$ (33,654)	\$ (0.43)	\$ (24,456)	\$ (0.33)
Net realized and unrealized losses (gains) related to merger accounting adjustments	(3,314)	(0.04)	796	0.01	20,955	0.29
Adjusted net realized and unrealized gains (losses), net of taxes	\$ (35,344)	\$ (0.44)	\$ (32,858)	\$ (0.42)	\$ (3,501)	\$ (0.05)

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:

(\$ in thousands, except per share data)	For the three months ended					
	March 31, 2024		December 31, 2023		March 31, 2023	
	(unaudited)		(unaudited)		(unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net increase (decrease) in net assets resulting from operations	\$ 9,337	\$ 0.12	\$ 10,535	\$ 0.14	\$ 21,522	\$ 0.29
Interest income amortization (accretion) related to merger accounting adjustments	3,311	0.04	29	—	(561)	(0.01)
Net realized and unrealized losses (gains) related to merger accounting adjustments	(3,314)	(0.04)	796	0.01	20,955	0.29
Adjusted earnings (loss)	\$ 9,334	\$ 0.12	\$ 11,360	\$ 0.15	\$ 41,916	\$ 0.57

## Conference Call Information

Oaktree Specialty Lending will host a conference call to discuss its second fiscal quarter 2024 results at 11:00 a.m. Eastern Time / 8:00 a.m. Pacific Time on April 30, 2024. The conference call may be accessed by dialing (877) 507-3275 (U.S. callers) or +1 (412) 317-5238 (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](http://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 2416934, 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](http://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, including the impacts of inflation and elevated interest rates; (ii) risks associated with possible disruption in the operations of the Company or the economy generally due to terrorism, war or other geopolitical conflict (including the current conflicts in Ukraine and Israel), natural disasters, pandemics or cybersecurity incidents; (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; and (v) 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.

## Contacts

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

	March 31, 2024 (unaudited)	December 31, 2023 (unaudited)	September 30, 2023
<b>ASSETS</b>			
<b>Investments at fair value:</b>			
Control investments (cost March 31, 2024: \$366,987; cost December 31, 2023: \$363,124; cost September 30, 2023: \$345,245)	\$ 313,979	\$ 316,309	\$ 297,091
Affiliate investments (cost March 31, 2024: \$38,016; cost December 31, 2023: \$26,916; cost September 30, 2023: \$24,898)	35,635	24,442	23,349
Non-control/Non-affiliate investments (cost March 31, 2024: \$2,838,769; cost December 31, 2023: \$2,797,710; cost September 30, 2023: \$2,673,976)	2,697,831	2,677,801	2,571,980
<b>Total investments at fair value (cost March 31, 2024: \$3,243,772; December 31, 2023: \$3,187,750; cost September 30, 2023: \$3,044,119)</b>	<b>3,047,445</b>	<b>3,018,552</b>	<b>2,892,420</b>
Cash and cash equivalents	125,031	112,369	136,450
Restricted cash	12,461	19,328	9,089
Interest, dividends and fees receivable	36,504	43,038	44,570
Due from portfolio companies	1,797	7,912	6,317
Receivables from unsettled transactions	20,372	23,931	55,441
Due from broker	40,630	26,520	54,260
Deferred financing costs	11,113	11,827	12,541
Deferred offering costs	90	131	160
Derivative assets at fair value	—	—	4,910
Other assets	2,496	2,587	1,681
<b>Total assets</b>	<b>\$ 3,297,939</b>	<b>\$ 3,266,195</b>	<b>\$ 3,217,839</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities:</b>			
Accounts payable, accrued expenses and other liabilities	\$ 3,775	\$ 3,273	\$ 2,950
Base management fee and incentive fee payable	18,556	19,004	19,547
Due to affiliate	3,773	3,815	4,310
Interest payable	16,069	18,980	16,007
Director fees payable	—	160	—
Payables from unsettled transactions	61,020	57,279	11,006
Derivative liability at fair value	35,005	29,316	47,519
Deferred tax liability	—	—	5
Credit facilities payable	730,000	710,000	710,000
Unsecured notes payable (net of \$6,001, \$6,534 and \$7,076 of unamortized financing costs as of March 31, 2024, December 31, 2023 and September 30, 2023, respectively)	905,642	912,717	890,731
<b>Total liabilities</b>	<b>1,773,840</b>	<b>1,754,544</b>	<b>1,702,075</b>
<b>Commitments and contingencies</b>			
<b>Net assets:</b>			
Common stock, \$0.01 par value per share, 250,000 shares authorized; 81,396, 78,965 and 77,225 shares issued and outstanding as of March 31, 2024, December 31, 2023 and September 30, 2023, respectively	814	790	772
Additional paid-in-capital	2,248,363	2,200,561	2,166,330
Accumulated overdistributed earnings	(725,078)	(689,700)	(651,338)
<b>Total net assets (equivalent to \$18.72, \$19.14 and \$19.63 per common share as of March 31, 2024, December 31, 2023 and September 30, 2023, respectively)</b>	<b>1,524,099</b>	<b>1,511,651</b>	<b>1,515,764</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,297,939</b>	<b>\$ 3,266,195</b>	<b>\$ 3,217,839</b>

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

	Three months ended March 31, 2024 (unaudited)	Three months ended December 31, 2023 (unaudited)	Three months ended March 31, 2023 (unaudited)	Six months ended March 31, 2024 (unaudited)	Six months ended March 31, 2023 (unaudited)
<b>Interest income:</b>					
Control investments	\$ 5,949	\$ 6,005	\$ 5,191	\$ 11,954	\$ 9,758
Affiliate investments	10	324	648	334	1,289
Non-control/Non-affiliate investments	77,803	82,721	82,149	160,524	146,447
Interest on cash and cash equivalents	1,494	2,364	757	3,858	1,229
<b>Total interest income</b>	<b>85,256</b>	<b>91,414</b>	<b>88,745</b>	<b>176,670</b>	<b>158,723</b>
<b>PIK interest income:</b>					
Control investments	598	544	—	1,142	—
Non-control/Non-affiliate investments	4,218	3,305	4,123	7,523	10,253
<b>Total PIK interest income</b>	<b>4,816</b>	<b>3,849</b>	<b>4,123</b>	<b>8,665</b>	<b>10,253</b>
<b>Fee income:</b>					
Control investments	13	13	12	26	25
Affiliate investments	—	5	5	5	10
Non-control/Non-affiliate investments	2,533	1,289	2,363	3,822	4,366
<b>Total fee income</b>	<b>2,546</b>	<b>1,307</b>	<b>2,380</b>	<b>3,853</b>	<b>4,401</b>
<b>Dividend income:</b>					
Control investments	1,400	1,400	1,050	2,800	2,100
Non-control/Non-affiliate investments	11	15	4	26	4
<b>Total dividend income</b>	<b>1,411</b>	<b>1,415</b>	<b>1,054</b>	<b>2,826</b>	<b>2,104</b>
<b>Total investment income</b>	<b>94,029</b>	<b>97,985</b>	<b>96,302</b>	<b>192,014</b>	<b>175,481</b>
<b>Expenses:</b>					
Base management fee	11,604	11,477	11,483	23,081	21,400
Part I incentive fee	8,452	9,028	9,007	17,480	16,710
Professional fees	1,213	1,504	2,075	2,717	3,575
Directors fees	160	160	160	320	320
Interest expense	31,881	32,170	27,804	64,051	48,523
Administrator expense	326	366	315	692	613
General and administrative expenses	526	591	1,255	1,117	2,001
<b>Total expenses</b>	<b>54,162</b>	<b>55,296</b>	<b>52,099</b>	<b>109,458</b>	<b>93,142</b>
Fees waived	(1,500)	(1,500)	(1,775)	(3,000)	(2,525)
<b>Net expenses</b>	<b>52,662</b>	<b>53,796</b>	<b>50,324</b>	<b>106,458</b>	<b>90,617</b>
<b>Net investment income before taxes</b>	<b>41,367</b>	<b>44,189</b>	<b>45,978</b>	<b>85,556</b>	<b>84,864</b>
Excise tax	—	—	—	—	(78)
<b>Net investment income</b>	<b>41,367</b>	<b>44,189</b>	<b>45,978</b>	<b>85,556</b>	<b>84,786</b>
<b>Unrealized appreciation (depreciation):</b>					
Control investments	(6,193)	1,339	1,675	(4,854)	(1,634)
Affiliate investments	93	(925)	(454)	(832)	(451)
Non-control/Non-affiliate investments	(21,396)	(17,615)	(21,124)	(39,011)	(29,799)
Foreign currency forward contracts	2,244	(7,824)	1,624	(5,580)	(9,377)
<b>Net unrealized appreciation (depreciation)</b>	<b>(25,252)</b>	<b>(25,025)</b>	<b>(18,279)</b>	<b>(50,277)</b>	<b>(41,261)</b>
<b>Realized gains (losses):</b>					
Control investments	—	786	—	786	—
Non-control/Non-affiliate investments	(5,433)	(13,340)	(2,459)	(18,773)	(10,110)
Foreign currency forward contracts	(1,170)	4,101	(3,652)	2,931	796
<b>Net realized gains (losses)</b>	<b>(6,603)</b>	<b>(8,453)</b>	<b>(6,111)</b>	<b>(15,056)</b>	<b>(9,314)</b>
(Provision) benefit for taxes on realized and unrealized gains (losses)	(175)	(176)	(66)	(351)	483
<b>Net realized and unrealized gains (losses), net of taxes</b>	<b>(32,030)</b>	<b>(33,654)</b>	<b>(24,456)</b>	<b>(65,684)</b>	<b>(50,092)</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ 9,337</b>	<b>\$ 10,535</b>	<b>\$ 21,522</b>	<b>\$ 19,872</b>	<b>\$ 34,694</b>
<b>Net investment income per common share — basic and diluted</b>	<b>\$ 0.52</b>	<b>\$ 0.57</b>	<b>\$ 0.63</b>	<b>\$ 1.09</b>	<b>\$ 1.26</b>
<b>Earnings (loss) per common share — basic and diluted</b>	<b>\$ 0.12</b>	<b>\$ 0.14</b>	<b>\$ 0.29</b>	<b>\$ 0.25</b>	<b>\$ 0.52</b>
Weighted average common shares outstanding — basic and diluted	79,763	77,840	73,203	78,797	67,106



**OAKTREE**  
OCSL | Specialty Lending Corporation

# Earnings Presentation

## NASDAQ: OCSL

Second Quarter 2024  
April 30, 2024



## 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, 2023 and our quarterly report on Form 10-Q for the quarter ended March 31, 2024. Other factors that could cause actual results to differ materially include: changes in the economy, financial markets and political environment, including the impacts of inflation and elevated interest rates; risks associated with possible disruption in our operations or the economy generally due to terrorism, war or other geopolitical conflict (including the current conflicts in Ukraine and Israel), natural disasters, pandemics or cybersecurity incidents; future changes in laws or regulations (including the interpretation of these laws and regulations by regulatory authorities); conditions in our operating areas, particularly with respect to business development companies or regulated investment companies; and other considerations 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.

### Calculation of Assets Under Management

References to total "assets under management" or "AUM" represent assets managed by Oaktree and a proportionate amount of the AUM reported by DoubleLine Capital LP ("DoubleLine Capital"), in which Oaktree owns a 20% minority interest. Oaktree's methodology for calculating AUM includes (i) the net asset value ("NAV") of assets managed directly by Oaktree, (ii) the leverage on which management fees are charged, (iii) undrawn capital that Oaktree is entitled to call from investors in Oaktree funds pursuant to their capital commitments, (iv) for collateralized loan obligation vehicles ("CLOs"), the aggregate par value of collateral assets and principal cash, (v) for publicly-traded business development companies, gross assets (including assets acquired with leverage), net of cash, and (vi) Oaktree's pro rata portion (20%) of the AUM reported by DoubleLine Capital. This calculation of AUM is not based on the definitions of AUM that may be set forth in agreements governing the investment funds, vehicles or accounts managed and is not calculated pursuant to regulatory definitions.

Unless otherwise indicated, data provided herein are dated as of March 31, 2024.



## Highlights for the Quarter Ended March 31, 2024

<b>Adjusted Net Investment Income<sup>1</sup></b>	<ul style="list-style-type: none"> <li>• \$0.56 per share, as compared with \$0.57 per share for the quarter ended December 31, 2023</li> <li>• GAAP net investment income was \$0.52 per share, as compared with \$0.57 in the quarter ended December 31, 2023</li> </ul>
<b>Net Asset Value Per Share</b>	<ul style="list-style-type: none"> <li>• \$18.72 per share, as compared with \$19.14 per share as of December 31, 2023</li> <li>• The decrease was primarily due to realized and unrealized losses on certain debt and equity investments</li> </ul>
<b>Dividends</b>	<ul style="list-style-type: none"> <li>• Declared a cash distribution of \$0.55 per share for the fifth quarter in a row</li> <li>• Distribution will be payable on June 28, 2024 to stockholders of record as of June 14, 2024</li> </ul>
<b>Investment Activity</b>	<ul style="list-style-type: none"> <li>• \$396 million of new investment commitments</li> <li>• 11.1% weighted average yield on new debt investments</li> <li>• \$377 million of new investment fundings</li> <li>• Received \$323 million of proceeds from prepayments, exits, other paydowns and sales</li> </ul>
<b>Investment Portfolio</b>	<ul style="list-style-type: none"> <li>• \$3.0 billion at fair value across 151 portfolio companies</li> <li>• 12.2% weighted average yield on debt investments, unchanged from the prior quarter</li> <li>• 86% senior secured, including 81% first lien loans</li> <li>• 85% of debt portfolio was floating rate</li> </ul>
<b>Capital Structure &amp; Liquidity</b>	<ul style="list-style-type: none"> <li>• 1.02x net debt to equity ratio, which is unchanged from the prior quarter ended December 31, 2023</li> <li>• \$125 million of cash and \$888 million of undrawn capacity on credit facilities</li> </ul>
<b>Permanent Base Management Fee Reduction</b>	<ul style="list-style-type: none"> <li>• Permanently reduced base management fee to 1.00% of gross assets, net of all other existing base management fee waivers, from 1.50% of gross assets, effective July 1, 2024</li> <li>• Waived additional base management fees such that the total amount of waived base management fees (including those previously waived) will be \$1.5 million for each of the quarters ended March 31, 2024 and June 30, 2024</li> <li>• The new base management fee is expected to increase net investment income per share by \$0.15 annually, or \$0.03 to \$0.04 per share a quarter</li> <li>• This equates to an estimated 0.8% increase in return on net investment income<sup>2</sup>, representing a 7% increase from current levels</li> </ul>

1. See page 20 for a description of this non-GAAP measure.

2. Return on net investment income calculated as the net investment income per share increase from the base management fee change annualized divided by the net asset value per share of the most recent completed quarter.

# Permanent Base Management Fee Reduction

## Management Fee Reduction

- Permanently reducing the base management fee, effective as of July 1, 2024, to an annual rate of 1.00% of total gross assets, net of all other existing waivers of the base management fee
- Waived additional base management fees such that the total amount of waived base management fees (including those previously waived) will be \$1.5 million for each of the quarters ended March 31, 2024 and June 30, 2024

### Strong Shareholder Alignment

- Demonstrates strong support from our investment adviser, Oaktree
- Larger share of OCSL's investment income will flow directly to shareholders

### Permanent Increase in Earnings Power

- The new base management fee is expected to **increase net investment income per share by \$0.15 annually**, or \$0.03 to \$0.04 per share a quarter
- This equates to an estimated **0.8% increase in return on net investment income<sup>1</sup>**, representing a 7% increase from current levels

### Lower Fees

- Lower base management fee vs. top-20 listed BDCs by market cap<sup>2</sup>

	Current Fee Structure	New Fee Structure
Base Management Fee	1.50%	1.00% <sup>3</sup>
Incentive Fee on Income and Capital Gains	17.50%	17.50%
Incentive Fee Hurdle Rate	6.00%	6.00%

1. Return on net investment income calculated as the net investment income per share increase from the base management fee change annualized divided by the net asset value per share of the most recent completed quarter.  
 2. Top-20 listed BDCs by market capitalization as of April 25, 2024: ARCC, BBDC, BCSF, BXSL, CGBD, FSK, GBDC, GSBD, MFIC, MSDI, NCDL, NMFC, OBDC, OBDE, OCSL, PFLT, PSEC, SLRC, TCPC and TSLX.  
 3. Net of existing base management fee waivers.

# Portfolio Summary

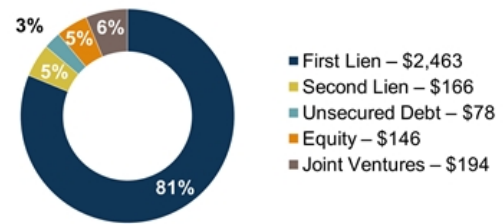
## Portfolio Characteristics

(At fair value)

<p><b>\$3.0bn</b> Total Investments</p>	<p><b>151</b> Portfolio Companies</p>
<p><b>12.2%</b> Weighted Average Yield on Debt Investments</p>	<p><b>\$134mm</b> Median Debt Portfolio Company EBITDA<sup>1</sup></p>
<p><b>86%</b> Senior Secured Debt Investments</p>	<p><b>85%</b> Floating Rate</p>

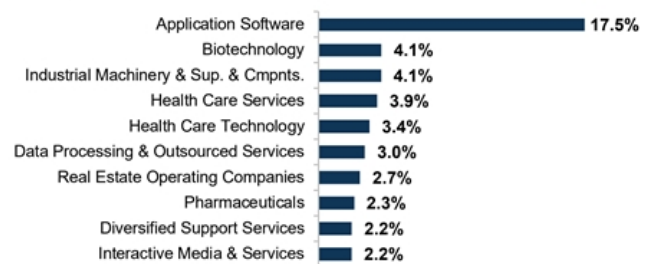
## Portfolio Composition

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



## Top Ten Sub-industries<sup>2,3</sup>

(As % of total portfolio at fair value)



As of March 31, 2024

Note: Numbers may not sum due to rounding.

1. Excludes investments in negative EBITDA borrowers, royalty interest financings, structured products and recurring revenue software businesses.

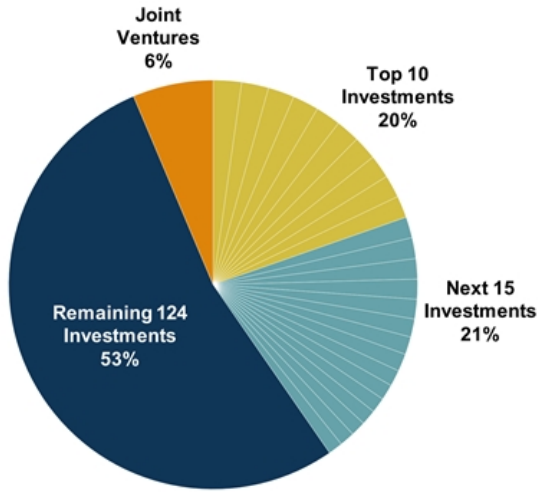
2. Based on GICS sub-industry classification.

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 Industry<sup>1</sup>

(As % of total portfolio at fair value)

Industry	% of Portfolio
Software	19.0%
Health Care Providers & Services	5.9%
Commercial Services & Supplies	5.6%
Real Estate Management & Development	5.0%
Machinery	5.0%
Specialty Retail	4.8%
Biotechnology	4.1%
Financial Services	3.7%
Health Care Technology	3.3%
Professional Services	3.2%
Chemicals	2.8%
Metals & Mining	2.4%
Remaining 24 Industries	28.8%
Joint Ventures	6.4%

*OCSL's portfolio is diverse across borrowers and industries*

As of March 31, 2024  
 Note: Numbers may not sum due to rounding.  
 1. Based on GICS industry classification.

# Spotlight on OCSL's Software Exposure

## Software Exposure

(As % of total portfolio at fair value)



## End Market Diversity



## Oaktree's Approach to Software Investing

- Target large, diversified businesses with entrenched customer bases
- Companies provide mission critical software solutions that lead to high customer retention rates
- Focus on constructing a balanced application software portfolio that is composed of businesses that serve different end markets
- Backed by large, well-established private equity firms who have strong reputations and deep sector expertise

## Software Portfolio Characteristics

	3/31/2024
Fair Value of Software Portfolio (\$ in millions)	\$579
Number of Portfolio Companies	24
First Lien (% of software portfolio)	90.3%
Average Portfolio Company Revenues <sup>2</sup> (\$ millions)	\$577
Average LTV <sup>3</sup>	39%

As of March 31, 2024

1. Includes Oil & Gas Exploration & Production, Aerospace & Defense, Diversified Financial Services, Education Services, Automotive Parts & Equipment, Property & Casualty Insurance, Interactive Media & Services and Health Care Technology.

2. Revenues based on the most recent portfolio company financial statements for the trailing twelve-month reported period.

3. Average loan-to-value ("LTV") represents the net ratio of loan-to-value for each software portfolio company, weighted based on the fair value of total software investments.

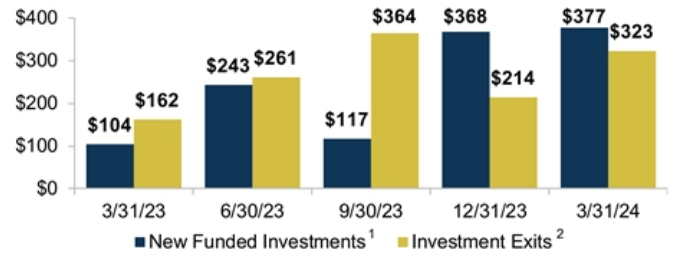
# Investment Activity

## New Investment Highlights

<p><b>\$396mm</b> New Investment Commitments</p>	<p><b>\$377mm</b> New Investment Fundings<sup>1</sup></p>
<p><b>11.1%</b> Weighted Average Yield on New Debt Commitments</p>	<p><b>100%</b> Also Held by Other Oaktree Funds</p>
<p><b>\$222mm</b> New Investment Commitments in New Portfolio Companies</p>	<p><b>\$174mm</b> New Investment Commitments in Existing Portfolio Companies</p>

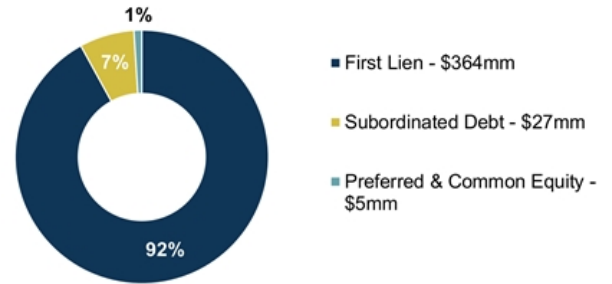
## Historical Funded Originations and Exits

(\$ in millions)



## New Investment Composition

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



As of March 31, 2024

Note: Numbers rounded to the nearest million or percentage point and may not sum as a result. Excludes the \$572 million of investments at fair value acquired in the merger of Oaktree Strategic Income II, Inc. ("OSI2") with and into OCSL (the "OSI2 Merger"), which closed on January 23, 2023.

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			
			First Lien	Second Lien	Unsecured & Other	Private Placement	Primary (Public)	Secondary (Public)	Avg. Secondary Purchase Price
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%
1Q2022	\$300	21	\$220	\$77	\$2	\$227	\$73	--	N/A
2Q2022	\$228	25	\$163	\$17	\$48	\$162	\$26	\$40	96%
3Q2022	\$132	28	\$100	\$6	\$25	\$63	\$5	\$63	91%
4Q2022	\$97	11	\$65	--	\$32	\$71	\$22	\$4	92%
1Q2023	\$250	25	\$214	\$10	\$26	\$188	\$49	\$14	82%
2Q2023	\$124	9	\$124	--	--	\$118	\$5	\$1	81%
3Q2023	\$251	10	\$227	\$24	\$0.2	\$224	\$20	\$7	85%
4Q2023	\$87	6	\$87	--	--	\$76	\$12	--	N/A
1Q2024	\$370	24	\$354	--	\$16	\$302	--	\$68	90%
2Q2024	\$396	35	\$364	--	\$32	\$205	\$99	\$92	98%

Note: Numbers may not sum due to rounding. Excludes any positions originated, purchased and sold within the same quarter and the assets acquired in the OS12 Merger.

# Financial Highlights

(\$ and number of shares in thousands, except per share amounts)	As of				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
GAAP Net Investment Income per Share	\$0.52	\$0.57	\$0.62	\$0.63	\$0.63
Adjusted Net Investment Income per Share <sup>1</sup>	\$0.56	\$0.57	\$0.62	\$0.62	\$0.62
Net Realized and Unrealized Gains (Losses), Net of Taxes per Share	-\$0.40	-\$0.43	-\$0.02	-\$0.15	-\$0.33
Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes per Share <sup>1</sup>	-\$0.44	-\$0.42	-\$0.02	-\$0.14	-\$0.05
Earnings (Loss) per Share	\$0.12	\$0.14	\$0.60	\$0.48	\$0.29
Adjusted Earnings (Loss) per Share <sup>1</sup>	\$0.12	\$0.15	\$0.60	\$0.47	\$0.57
Quarterly Distributions per Share	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55
Special Distributions per Share	--	\$0.07	--	--	--
NAV per Share	\$18.72	\$19.14	\$19.63	\$19.58	\$19.66
Weighted Average Shares Outstanding	79,763	77,840	77,130	77,080	73,203
Shares Outstanding, End of Period	81,396	78,965	77,225	77,080	77,080
Investment Portfolio (at Fair Value)	\$3,047,445	\$3,018,552	\$2,892,420	\$3,135,619	\$3,164,860
Cash and Cash Equivalents	\$125,031	\$112,369	\$136,450	\$59,704	\$43,750
Total Assets	\$3,297,939	\$3,266,195	\$3,217,839	\$3,335,974	\$3,318,507
Total Debt Outstanding <sup>2</sup>	\$1,635,642	\$1,622,717	\$1,600,731	\$1,740,066	\$1,723,840
Net Assets	\$1,524,099	\$1,511,651	\$1,515,764	\$1,509,441	\$1,515,150
Total Debt to Equity Ratio	1.10x	1.10x	1.10x	1.18x	1.16x
Net Debt to Equity Ratio	1.02x	1.02x	1.01x	1.14x	1.14x
Weighted Average Interest Rate on Debt Outstanding <sup>3</sup>	7.0%	7.0%	7.0%	6.6%	6.2%

Note: The Company completed a 1-for-3 reverse stock split on January 20, 2023, effective as of the commencement of trading on January 23, 2023. All share amounts and per share information included in this presentation reflect the reverse stock split on a retroactive basis.

1. See page 20 for a description of the non-GAAP measures as necessary.

2. Net of unamortized financing costs.

3. Includes effect of the interest rate swap agreements the Company entered into in connection with the issuance of the 2027 Notes and the 2029 Notes.



# Portfolio Highlights

(\$ in thousands, at fair value)	As of				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
Investments at Fair Value	\$3,047,445	\$3,018,552	\$2,892,420	\$3,135,619	\$3,164,860
Number of Portfolio Companies	151	146	143	156	165
Average Portfolio Company Debt Investment Size	\$20,100	\$20,200	\$19,800	\$19,800	\$18,800
<b>Asset Class:</b>					
First Lien	80.8%	77.9%	76.4%	76.5%	75.0%
Second Lien	5.4%	8.4%	10.1%	12.0%	13.0%
Unsecured Debt	2.6%	2.5%	1.9%	1.7%	1.9%
Equity	4.8%	4.8%	5.0%	3.8%	4.1%
Joint Venture Interests	6.4%	6.4%	6.6%	6.0%	6.0%
<b>Interest Rate Type for Debt Investments:</b>					
% Floating-Rate	85.4%	84.3%	86.2%	86.0%	87.9%
% Fixed-Rate	14.6%	15.7%	13.8%	14.0%	12.1%
<b>Yields:</b>					
Weighted Average Yield on Debt Investments <sup>1</sup>	12.2%	12.2%	12.7%	12.3%	11.9%
Cash Component of Weighted Average Yield on Debt Investments	11.0%	11.1%	11.2%	11.4%	10.9%
Weighted Average Yield on Total Portfolio Investments <sup>2</sup>	11.7%	11.7%	12.0%	11.8%	11.5%

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 mergers of Oaktree Strategic Income Corporation (the "OCSI Merger") and the OSI2 Merger. See page 20 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 OCSI Merger and the OSI2 Merger. See page 20 for a description of the non-GAAP financial measures.

# Investment Activity

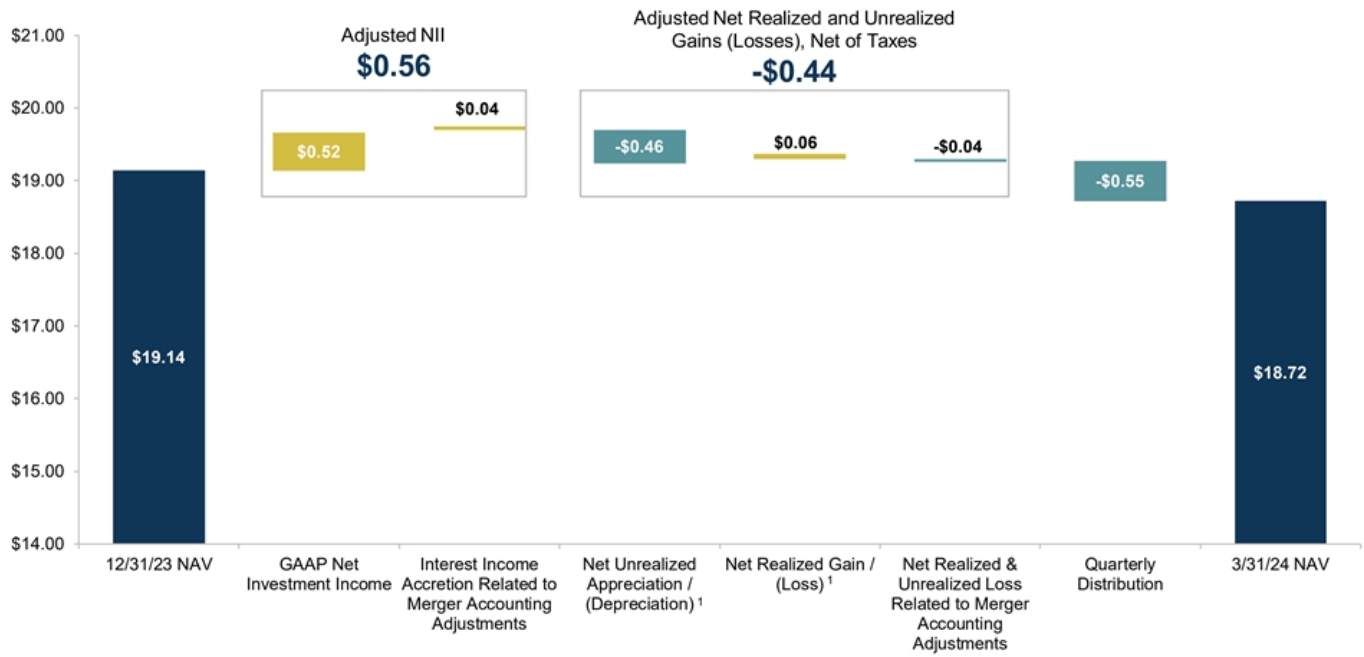
(\$ in thousands)	As of				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023 <sup>1</sup>
New Investment Commitments	\$395,600	\$370,300	\$87,500	\$251,000	\$123,800
New Funded Investment Activity <sup>2</sup>	\$377,400	\$367,600	\$117,100	\$243,300	\$103,600
Proceeds from Prepayments, Exits, Other Paydowns and Sales	\$322,600	\$213,500	\$364,400	\$261,000	\$162,100
Net New Investments <sup>3</sup>	\$54,800	\$154,100	-\$247,300	-\$17,700	-\$58,500
New Investment Commitments in New Portfolio Companies	20	14	3	6	6
New Investment Commitments in Existing Portfolio Companies	15	10	3	4	3
Portfolio Company Exits	15	10	16	16	5
Weighted Average Yield at Cost on New Debt Investment Commitments	11.1%	11.6%	12.0%	12.6%	11.9%

1. Excludes the assets acquired in the OS12 Merger.

2. New funded investment activity includes drawdowns on existing revolver commitments.

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: Numbers may not sum due to rounding. 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 20 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

**0.90x to 1.25x**  
Target Leverage Ratio

**Investment Grade Rated**  
By Moody's And Fitch

**57%**  
Unsecured Borrowings

**\$1.0bn**  
Available Liquidity<sup>4</sup>

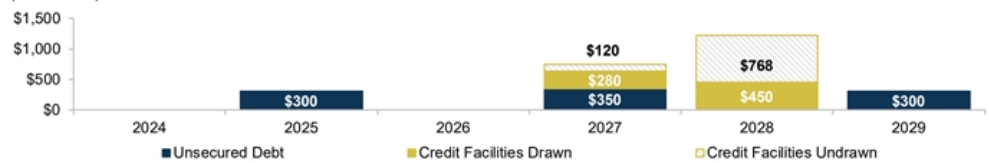
## Funding Sources

(\$ in millions)

	Committed	Principal Outstanding	Interest Rate	Maturity
Syndicated Credit Facility	\$1,218	\$450	SOFR + 2.00%	6/23/2028
Citibank Facility	\$400	\$280	SOFR + 2.00%-2.75% <sup>1</sup>	1/26/2027
2025 Notes	\$300	\$300	3.500%	2/25/2025
2027 Notes	\$350	\$350	2.700% (SOFR + 1.658%) <sup>2</sup>	1/15/2027
2029 Notes	\$300	\$300	7.100% (SOFR + 3.126%) <sup>3</sup>	2/15/2029
Cash and Cash Equivalents	\$-	-\$125	--	--
<b>Total</b>	<b>\$2,568</b>	<b>\$1,555</b>		
<b>Weighted Average Interest Rate</b>		<b>7.0%</b>		
<b>Net Debt to Equity Ratio</b>		<b>1.02x</b>		

## Maturities

(\$ in millions)



*Diverse and flexible sources of debt capital with ample liquidity*

As of March 31, 2024

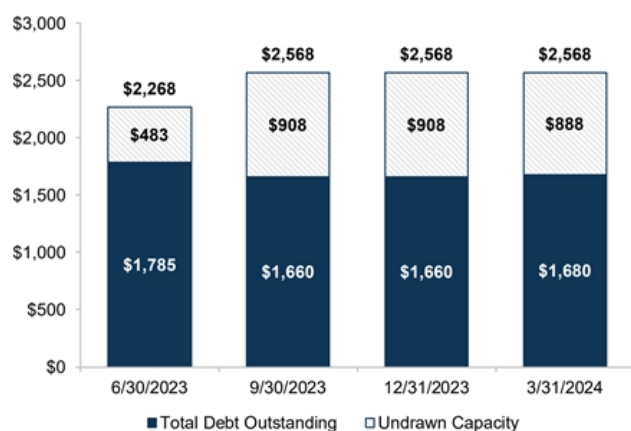
Note: Numbers may not sum due to rounding.

- The interest rate on outstanding borrowings is SOFR plus 2.00% on broadly syndicated loans and SOFR plus 2.75% on all other eligible loans.
- 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 SOFR plus 1.658% on a notional amount of \$350 million.
- The Company entered into an interest rate swap agreement under which the Company receives a fixed interest rate of 7.100% and pays a floating rate of the three-month SOFR plus 3.126% on a notional amount of \$300 million.
- Liquidity was composed of \$125.0 million of unrestricted cash and cash equivalents and \$888.0 million of undrawn capacity under the credit facilities (subject to borrowing base and other limitations).

# Funding and Liquidity Metrics

## Leverage Utilization

(\$ in millions)



	6/30/2023	9/30/2023	12/31/2023	3/31/2024
Cash	\$60	\$136	\$112	\$125
Net Assets	\$1,509	\$1,516	\$1,512	\$1,524
Total Leverage	1.18x	1.10x	1.10x	1.10x
Net Leverage	1.14x	1.01x	1.02x	1.02x

## Liquidity Overview

(\$ in millions)

	6/30/2023	9/30/2023	12/31/2023	3/31/2024
Credit Facilities Committed	\$1,618	\$1,618	\$1,618	\$1,618
Credit Facilities Drawn	-\$1,135	-\$710	-\$710	-\$730
Cash and Cash Equivalents	\$60	\$136	\$112	\$125
<b>Total Liquidity</b>	<b>\$542</b>	<b>\$1,044</b>	<b>\$1,020</b>	<b>\$1,013</b>
Total Unfunded Commitments <sup>1</sup>	-\$247	-\$206	-\$200	-\$209
Unavailable Unfunded Commitments <sup>2</sup>	\$62	\$51	\$34	\$30
<b>Adjusted Liquidity</b>	<b>\$357</b>	<b>\$890</b>	<b>\$854</b>	<b>\$834</b>

*Ample liquidity to support funding needs<sup>3</sup>*

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 March 31, 2024, 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 invest in market opportunities as they arise.

## 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)

<b>\$142mm</b> OCSL's Investments in the Kemper JV	<b>4.7%</b> % of OCSL's Portfolio
<b>\$5.1mm</b> Net Investment Income <sup>1</sup>	<b>13.6%</b> Return on OCSL's Investment (Annualized) <sup>2</sup>

### Glick JV Characteristics

(At fair value)

<b>\$51mm</b> OCSL's Investments in the Glick JV	<b>1.7%</b> % of OCSL's Portfolio
<b>\$2.0mm</b> Net Investment Income <sup>3</sup>	<b>13.7%</b> Return on OCSL's Investment (Annualized) <sup>2</sup>

### Combined Portfolio Summary

Investment Portfolio	First Lien	Portfolio Company Count	Wtd. Avg. Debt Portfolio Yield	Leverage Ratio
\$504mm	97%	54	10.5%	1.3x

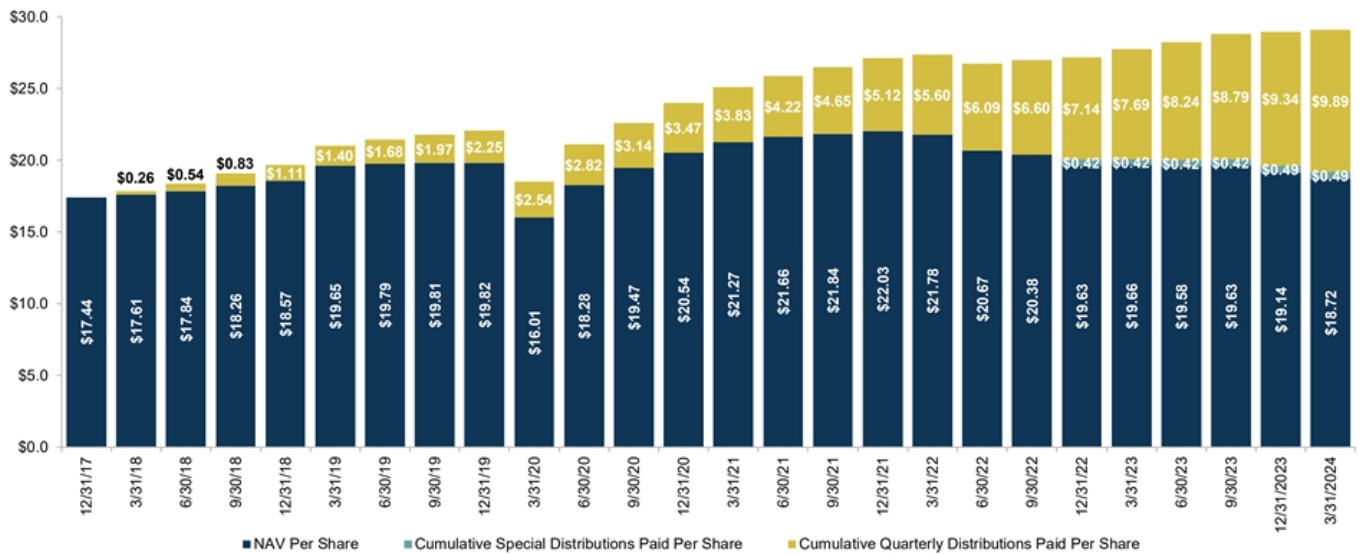
As of March 31, 2024

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 March 31, 2024.
2. Calculated as OCSL's share of each respective joint venture's net investment income annualized, divided by the fair value of OCSL's investments in each joint venture as of December 31, 2023.
3. Represents OCSL's 87.5% share of the Glick JV's net investment income (excluding subordinated note interest expense) earned during the quarter ended March 31, 2024.

# Compelling Performance Under Oaktree Management

## NAV and Cumulative Distributions Paid Per Share<sup>1</sup>

(\$ in millions)



*OCSL has generated a 9.9% annualized return on equity under Oaktree management<sup>2</sup>*

Note: The Company completed a 1-for-3 reverse stock split on January 20, 2023, effective as of the commencement of trading on January 23, 2023. All share amounts and per share information included in this presentation reflect the reverse stock split on a retroactive basis as necessary.

1. Cumulative distributions declared and paid from December 31, 2017 through March 31, 2024.

2. Annualized return on equity calculated as the change in net asset value plus distributions paid from December 31, 2017 through March 31, 2024. Assumes dividends reinvested at NAV.



**OAKTREE**  
OCSL | Specialty Lending Corporation

## Appendix



# Quarterly Statement of Operations

(\$ in thousands)	For the three months ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
<b>Investment income</b>					
Interest income	\$85,256	\$91,414	\$94,732	\$95,310	\$88,745
PIK interest income	\$4,816	\$3,849	\$5,544	\$3,967	\$4,123
Fee income	\$2,546	\$1,307	\$572	\$1,573	\$2,380
Dividend income	\$1,411	\$1,415	\$1,057	\$1,050	\$1,054
<b>GAAP total investment income</b>	<b>\$94,029</b>	<b>\$97,985</b>	<b>\$101,905</b>	<b>\$101,900</b>	<b>\$96,302</b>
Interest income amortization related to merger accounting adjustments	\$3,311	\$29	\$252	-\$842	-\$561
<b>Adjusted total investment income</b>	<b>\$97,340</b>	<b>\$98,014</b>	<b>\$102,157</b>	<b>\$101,058</b>	<b>\$95,741</b>
<b>Expenses</b>					
Base management fee	\$11,604	\$11,477	\$11,516	\$11,983	\$11,483
Part I incentive fee	\$8,452	\$9,028	\$9,531	\$9,590	\$9,007
Part II incentive fee	--	--	--	--	--
Interest expense	\$31,881	\$32,170	\$32,326	\$30,793	\$27,804
Other operating expenses <sup>1</sup>	\$2,225	\$2,621	\$2,534	\$2,621	\$3,805
<b>Total expenses</b>	<b>\$54,162</b>	<b>\$55,296</b>	<b>\$55,907</b>	<b>\$54,987</b>	<b>\$52,099</b>
Fees waived	-\$1,500	-\$1,500	-\$1,500	-\$1,500	-\$1,775
<b>Net expenses</b>	<b>\$52,662</b>	<b>\$53,796</b>	<b>\$54,407</b>	<b>\$53,487</b>	<b>\$50,324</b>
<b>GAAP net investment income</b>	<b>\$41,367</b>	<b>\$44,189</b>	<b>\$47,498</b>	<b>\$48,413</b>	<b>\$45,978</b>
Less: Interest income accretion related to merger accounting adjustments	\$3,311	\$29	\$252	-\$842	-\$561
Add: Part II incentive fee	--	--	--	--	--
<b>Adjusted net investment income</b>	<b>\$44,678</b>	<b>\$44,218</b>	<b>\$47,750</b>	<b>\$47,571</b>	<b>\$45,417</b>

Note: See page 20 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				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
<b>Net realized and unrealized gains (losses)</b>					
Net unrealized appreciation (depreciation)	-\$25,252	-\$25,025	\$13,745	-\$1,039	-\$18,279
Net realized gains (losses)	-\$6,603	-\$8,453	-\$13,238	-\$10,603	-\$6,111
(Provision) benefit for taxes on realized and unrealized gains (losses)	-\$175	-\$176	-\$2,053	-\$86	-\$66
<b>GAAP net realized and unrealized gains (losses), net of taxes</b>	<b>-\$32,030</b>	<b>-\$33,654</b>	<b>-\$1,546</b>	<b>-\$11,728</b>	<b>-\$24,456</b>
Net realized and unrealized losses (gains) related to merger accounting adjustments	-\$3,314	\$796	-\$122	\$612	\$20,955
<b>Adjusted net realized and unrealized gains (losses), net of taxes</b>	<b>-\$35,344</b>	<b>-\$32,858</b>	<b>-\$1,668</b>	<b>-\$11,116</b>	<b>-\$3,501</b>
<b>GAAP net increase (decrease) in net assets resulting from operations</b>	<b>\$9,337</b>	<b>\$10,535</b>	<b>\$45,952</b>	<b>\$36,685</b>	<b>\$21,522</b>
Interest income amortization (accretion) related to merger accounting adjustments	\$3,311	\$29	\$252	-\$842	-\$561
Net realized and unrealized losses (gains) related to merger accounting adjustments	-\$3,314	\$796	-\$122	\$612	\$20,955
<b>Adjusted earnings (loss)</b>	<b>\$9,334</b>	<b>\$11,360</b>	<b>\$46,082</b>	<b>\$36,455</b>	<b>\$41,916</b>
<b>Per share data:</b>					
GAAP total investment income	\$1.18	\$1.26	\$1.32	\$1.32	\$1.32
Adjusted total investment income	\$1.22	\$1.26	\$1.32	\$1.31	\$1.31
GAAP net investment income	\$0.52	\$0.57	\$0.62	\$0.63	\$0.63
Adjusted net investment income	\$0.56	\$0.57	\$0.62	\$0.62	\$0.62
GAAP net realized and unrealized gains (losses), net of taxes	-\$0.40	-\$0.43	-\$0.02	-\$0.15	-\$0.33
Adjusted net realized and unrealized gains (losses), net of taxes	-\$0.44	-\$0.42	-\$0.02	-\$0.14	-\$0.05
GAAP net increase/decrease in net assets resulting from operations	\$0.12	\$0.14	\$0.60	\$0.48	\$0.29
Adjusted earnings (loss)	\$0.12	\$0.15	\$0.60	\$0.47	\$0.57
Weighted average common shares outstanding	79,763	77,840	77,130	77,080	73,203
<b>Shares outstanding, end of period</b>	<b>81,396</b>	<b>78,965</b>	<b>77,225</b>	<b>77,080</b>	<b>77,080</b>

Note: See page 20 for a description of the non-GAAP measures. Per share amounts have been adjusted for the one-for-three reverse stock split which took effect before market open on January 23, 2023.

## Non-GAAP Disclosures

The OCSI Merger and the OSI2 Merger (the "Mergers") were accounted for as asset acquisitions 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 each of the stockholders of OCSI and OSI2 were 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 investments under ASC 805 that, in aggregate, was different than the historical cost basis of the acquired investments prior to the OCSI Merger or OSI2 Merger, as applicable. Additionally, immediately following the completion of the Mergers, the acquired investments were marked to their respective fair values under ASC 820, Fair Value Measurements, which resulted in unrealized appreciation / depreciation. The new cost basis established by ASC 805 on debt investments acquired will accrete / amortize over the life of each respective debt investment through interest income, with a corresponding adjustment recorded to unrealized appreciation / depreciation on such investment acquired through its ultimate disposition. The new cost basis established by ASC 805 on equity investments acquired will not accrete / amortize 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 / loss with a corresponding reversal of the unrealized appreciation / depreciation 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 investments acquired in the Mergers because these amounts do not impact the fees payable to Oaktree under its second amended and restated investment 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 Earnings (Loss)" and "Adjusted Earnings (Loss) Per Share" are useful to investors as they exclude the non-cash income/gain resulting from the Mergers 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 investments established by ASC 805 that would have been to the benefit of Oaktree absent such exclusion).



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### **Oaktree Specialty Lending Corporation Announces Permanent Base Management Fee Reduction**

LOS ANGELES, CA, April 30, 2024 – Oaktree Specialty Lending Corporation (NASDAQ:OCSL) (“OCSL” or the “Company”) today announced a permanent reduction in its base management fee. Effective July 1, 2024, the base management fee will be reduced to an annual rate of 1.00% from 1.50% on gross assets, including any investments made with borrowings, but excluding any cash and cash equivalents. The new base management fee will be calculated net of the base management fees that Oaktree Fund Advisers, LLC (“Oaktree”), OCSL’s investment adviser, waived as part of the merger of Oaktree Strategic Income II, Inc. into the Company (the “OSI2 Merger”), which expire on January 23, 2025.

The new base management fee is expected to increase OCSL’s net investment income per share by approximately \$0.15 annually. This equates to an estimated 0.8% improvement in the Company’s return on adjusted net investment income, representing a 7% increase from current levels.

Armen Panossian, Chief Executive Officer and Chief Investment Officer of OCSL, said, “We believe this permanent change to our fee structure demonstrates Oaktree’s strong commitment to aligning its interests with shareholders. We have successfully grown OCSL since taking over as its investment adviser and this reduction in fees means that a larger portion of our investment income will flow to our shareholders. Today’s announcement significantly enhances our earnings power and reinforces our dedication to maximizing shareholder value over the long term.”

In addition, Oaktree waived additional base management fees such that the total amount of waived base management fees (including those previously waived) will be \$1.5 million for each of the three months ended March 31, 2024 and June 30, 2024.

#### **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. OCSL’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. OCSL is regulated as a business development company under the Investment Company Act of 1940, as amended, and is managed by Oaktree Fund Advisors, LLC, an affiliate of Oaktree Capital Management, L.P. For additional information, please visit OCSL’s website at [www.oaktreespecialtylending.com](http://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, including the impacts of inflation and elevated interest rates; (ii) risks associated with possible disruption in the operations of the Company or the economy generally due to terrorism, war or other geopolitical conflict (including the current conflicts in Ukraine and Israel), natural disasters, pandemics or cybersecurity incidents; (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; and (v) 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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