

**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): August 1, 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 August 1, 2024, Oaktree Specialty Lending Corporation (the “Company”) issued a press release announcing its financial results for the fiscal quarter ended June 30, 2024. A copy of the press release is attached hereto as Exhibit 99.1.

On August 1, 2024, the Company will host a conference call to discuss its financial results for the fiscal quarter ended June 30, 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.

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 August 1, 2024](#)

99.2 [Oaktree Specialty Lending Corporation Third Quarter 2024 Earnings Presentation](#)

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.

OAKTREE SPECIALTY LENDING CORPORATION

Date: August 1, 2024

By: /s/ Christopher McKown

Name: Christopher McKown

Title: Chief Financial Officer and Treasurer



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

LOS ANGELES, CA, August 1, 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 June 30, 2024.

**Financial Highlights for the Quarter Ended June 30, 2024**

- **Total investment income** was \$95.0 million (\$1.16 per share) for the third fiscal quarter of 2024, as compared with \$94.0 million (\$1.18 per share) for the second fiscal quarter of 2024. The increase was primarily driven by higher interest income as a result of the growth in the investment portfolio and higher original issue discount ("OID") accretion driven by purchase premium acceleration in the prior quarter from the repayment of certain investments acquired in the mergers with Oaktree Strategic Income Corporation ("OCSI") and Oaktree Strategic Income II, Inc. ("OSI2"). This was partially offset by the impact of certain investments that were placed on non-accrual status and a decrease in amendment fees. Adjusted total investment income was \$95.6 million (\$1.17 per share) for the third fiscal quarter, as compared with \$97.3 million (\$1.22 per share) for the second fiscal quarter of 2024. The decrease was primarily driven by lower interest income due to the impact of certain investments that were placed on non-accrual status and lower OID acceleration from investment repayments as well as a decrease in amendment fees. This was partially offset by higher coupon interest income as a result of the growth in the investment portfolio.
- **GAAP net investment income** was \$44.6 million (\$0.54 per share) for the third fiscal quarter of 2024, as compared with \$41.4 million (\$0.52 per share) for the second fiscal quarter of 2024. The increase for the quarter was primarily driven by lower part I incentive fees (net of fees waived) and higher total investment income, partially offset by higher interest expense.
- **Adjusted net investment income** was \$45.2 million (\$0.55 per share) for the third fiscal quarter of 2024, as compared with \$44.7 million (\$0.56 per share) for the second fiscal quarter of 2024. The increase for the quarter was primarily driven by lower part I incentive fees (net of fees waived), partially offset by lower adjusted total investment income and higher interest expense. The per share decrease for the quarter was driven by an increase in weighted average shares outstanding.
- **Net asset value ("NAV") per share** was \$18.19 as of June 30, 2024, down as compared with \$18.72 as of March 31, 2024. The decline from March 31, 2024 primarily reflected unrealized losses on certain debt and equity investments.
- **Waived part I incentive fees** of \$3.2 million in addition to the \$1.5 million of management fees waived for the quarter ended June 30, 2024.
- **Originated** \$338.7 million of new investment commitments and received \$185.5 million of proceeds from prepayments, exits, other paydowns and sales during the quarter ended June 30, 2024. The weighted average yield on new debt investments was 11.1%.
- **Total debt outstanding** was \$1,740.0 million as of June 30, 2024. The total debt to equity ratio was 1.16x, and the net debt to equity ratio was 1.10x, after adjusting for cash and cash equivalents.
- **Liquidity** as of June 30, 2024 was composed of \$96.3 million of unrestricted cash and cash equivalents and \$827.5 million of undrawn capacity under the Company's credit facilities (subject to borrowing base and other limitations). Unfunded investment commitments were \$291.4 million, or \$264.3 million excluding unfunded commitments to the Company's joint ventures. Of the \$264.3 million, approximately \$219.4 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 September 30, 2024 to stockholders of record on September 16, 2024.

Armen Panossian, Chief Executive Officer and Chief Investment Officer, said "Our fiscal third quarter results were supported by continued origination activity, which led to portfolio growth and increased coupon interest income. Our originations in the third quarter were \$339 million of new investment commitments, while also realizing repayments and sales of \$186 million."

"We remain focused on shifting our investment composition to first lien loans and on improving our portfolio quality and performance in this changing market environment. During the quarter, however, we experienced challenges at certain portfolio investments, resulting in a decline in NAV and an increase in non-accruals," Panossian added. "We continue to leverage our expertise in navigating turnarounds with the goal of achieving favorable outcomes on these investments and generating value for our shareholders."

"In addition to the permanent management fee reduction that went into effect on July 1, 2024, we have announced an incentive fee waiver as part of our third quarter results, which demonstrates our commitment to shareholders. We remain confident in our strategy and the ability of our portfolio to deliver sustainable and attractive returns."

#### **Distribution Declaration**

The Board of Directors declared a quarterly distribution of \$0.55 per share. The distribution is payable in cash on September 30, 2024 to stockholders of record on September 16, 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		
	June 30, 2024 (unaudited)	March 31, 2024 (unaudited)	June 30, 2023 (unaudited)
<i>(\$ in thousands, except per share data)</i>			
<b>GAAP operating results:</b>			
Interest income	\$ 85,953	\$ 85,256	\$ 95,310
PIK interest income	6,149	4,816	3,967
Fee income	1,460	2,546	1,573
Dividend income	1,404	1,411	1,050
<b>Total investment income</b>	<b>94,966</b>	<b>94,029</b>	<b>101,900</b>
Net expenses	50,391	52,662	53,487
<b>Net investment income</b>	<b>44,575</b>	<b>41,367</b>	<b>48,413</b>
Net realized and unrealized gains (losses), net of taxes	(43,455)	(32,030)	(11,728)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ 1,120</b>	<b>\$ 9,337</b>	<b>\$ 36,685</b>
Total investment income per common share	\$ 1.16	\$ 1.18	\$ 1.32
Net investment income per common share	\$ 0.54	\$ 0.52	\$ 0.63
Net realized and unrealized gains (losses), net of taxes per common share	\$ (0.53)	\$ (0.40)	\$ (0.15)
<b>Earnings (loss) per common share — basic and diluted</b>	<b>\$ 0.01</b>	<b>\$ 0.12</b>	<b>\$ 0.48</b>
<b>Non-GAAP Financial Measures<sup>1</sup>:</b>			
Adjusted total investment income	\$ 95,573	\$ 97,340	\$ 101,058
Adjusted net investment income	\$ 45,182	\$ 44,678	\$ 47,571
Adjusted net realized and unrealized gains (losses), net of taxes	\$ (44,055)	\$ (35,344)	\$ (11,116)
Adjusted earnings (loss)	\$ 1,127	\$ 9,334	\$ 36,455
Adjusted total investment income per share	\$ 1.17	\$ 1.22	\$ 1.31
Adjusted net investment income per share	\$ 0.55	\$ 0.56	\$ 0.62
Adjusted net realized and unrealized gains (losses), net of taxes per share	\$ (0.54)	\$ (0.44)	\$ (0.14)
Adjusted earnings (loss) per share	\$ 0.01	\$ 0.12	\$ 0.47

<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		
	June 30, 2024 (unaudited)	March 31, 2024 (unaudited)	June 30, 2023 (unaudited)
<i>(\$ in thousands, except per share data and ratios)</i>			
<b>Select balance sheet and other data:</b>			
Cash and cash equivalents	\$ 96,321	\$ 125,031	\$ 59,704
Investment portfolio at fair value	3,121,703	3,047,445	3,135,619
Total debt outstanding (net of unamortized financing costs)	1,697,164	1,635,642	1,740,066
Net assets	1,496,133	1,524,099	1,509,441
Net asset value per share	18.19	18.72	19.58
Total debt to equity ratio	1.16x	1.10x	1.18x
Net debt to equity ratio	1.10x	1.02x	1.14x

Adjusted total investment income for the quarter ended June 30, 2024 was \$95.6 million and included \$86.6 million of interest income from portfolio investments, \$6.1 million of payment-in-kind ("PIK") interest income, \$1.5 million of fee income and \$1.4 million of dividend income. The \$1.8 million decline in adjusted total investment income was attributable to a \$0.7 million decrease in interest income, which was attributable to certain investments that were placed on non-accrual status and lower OID acceleration from investment repayments and was partially offset by higher coupon interest income as a result of the growth in the investment portfolio. Also contributing to the decline was a \$1.1 million decrease in fee income which was primarily due to lower amendment fees.

Net expenses for the quarter ended June 30, 2024 totaled \$50.4 million, down \$2.3 million from the quarter ended March 31, 2024. The decrease for the quarter was primarily driven by \$3.3 million lower part I incentive fees (net of fees waived) as a result of the Part I incentive fees waived by Oaktree during the quarter, partially offset by \$0.6 million of higher interest expense from an increase in borrowings and \$0.2 million of higher general and administrative expenses.

Adjusted net investment income was \$45.2 million (\$0.55 per share) for the quarter ended June 30, 2024, as compared to \$44.7 million (\$0.56 per share) for the quarter ended March 31, 2024. The increase of \$0.5 million for the quarter reflected \$2.3 million of lower net expenses, partially offset by \$1.8 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 \$44.1 million for the quarter ended June 30, 2024, primarily reflecting realized and unrealized losses on certain debt and equity investments.

### Portfolio and Investment Activity

(\$ in thousands)	As of		
	June 30, 2024 (unaudited)	March 31, 2024 (unaudited)	June 30, 2023 (unaudited)
Investments at fair value	\$ 3,121,703	\$ 3,047,445	\$ 3,135,619
Number of portfolio companies	158	151	156
Average portfolio company debt size	\$ 19,900	\$ 20,100	\$ 19,800
<b>Asset class:</b>			
First lien debt	82.5 %	80.8 %	76.5 %
Second lien debt	3.5 %	5.4 %	12.0 %
Unsecured debt	3.8 %	2.6 %	1.7 %
Equity	4.2 %	4.8 %	3.8 %
JV interests	6.0 %	6.4 %	6.0 %
<b>Non-accrual debt investments:</b>			
Non-accrual investments at fair value	\$ 110,599	\$ 69,128	\$ 91,152
Non-accrual investments at cost	172,827	127,720	111,732
Non-accrual investments as a percentage of debt investments at fair value	3.7 %	2.4 %	3.1 %
Non-accrual investments as a percentage of debt investments at cost	5.7 %	4.3 %	3.6 %
Number of investments on non-accrual	8	5	5
<b>Interest rate type:</b>			
Percentage floating-rate	85.3 %	85.4 %	86.0 %
Percentage fixed-rate	14.7 %	14.6 %	14.0 %
<b>Yields:</b>			
Weighted average yield on debt investments <sup>1</sup>	11.9 %	12.2 %	12.3 %
Cash component of weighted average yield on debt investments	10.6 %	11.0 %	11.4 %
Weighted average yield on total portfolio investments <sup>2</sup>	11.5 %	11.7 %	11.8 %
<b>Investment activity:</b>			
New investment commitments	\$ 338,700	\$ 395,600	\$ 251,000
New funded investment activity <sup>3</sup>	\$ 293,200	\$ 377,400	\$ 243,300
Proceeds from prepayments, exits, other paydowns and sales	\$ 185,500	\$ 322,600	\$ 261,000
Net new investments <sup>4</sup>	\$ 107,700	\$ 54,800	\$ (17,700)
Number of new investment commitments in new portfolio companies	11	20	6
Number of new investment commitments in existing portfolio companies	9	15	4
Number of portfolio company exits	3	15	16

<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 June 30, 2024, the fair value of the investment portfolio was \$3.1 billion and was composed of investments in 158 companies. These included debt investments in 141 companies, equity investments in 42 companies, and the Company's

joint venture investments in SLF JV I and OCSI Glick JV LLC ("Glick JV"). 27 of the equity investments were in companies in which the Company also had a debt investment.

As of June 30, 2024, 94.9% of the Company's portfolio at fair value consisted of debt investments, including 82.5% of first lien loans, 3.5% of second lien loans and 9.0% of unsecured debt investments, including the debt investments in SLF JV I and Glick JV. This compared to 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, as of March 31, 2024.

As of June 30, 2024, there were eight investments on non-accrual status, which represented 5.7% and 3.7% of the debt portfolio at cost and fair value, respectively. This is up from five investments on non-accrual status in the prior quarter, which represented 4.3% and 2.4% of the debt portfolio at cost and fair value, respectively.

#### *SLF JV I*

The Company's investments in SLF JV I totaled \$138.5 million at fair value as of June 30, 2024, down 2.7% from \$142.3 million as of March 31, 2024. The decrease was primarily driven by SLF JV I's use of leverage and unrealized depreciation in the underlying investment portfolio.

As of June 30, 2024, SLF JV I had \$390.8 million in assets, including senior secured loans to 49 portfolio companies. This compared to \$398.7 million in assets, including senior secured loans to 54 portfolio companies, as of March 31, 2024. SLF JV I generated cash interest income of \$3.5 million for the Company during the quarter ended June 30, 2024, consistent with the prior quarter. In addition, SLF JV I generated dividend income of \$1.4 million for the Company during the quarter ended June 30, 2024, consistent with the prior quarter. As of June 30, 2024, SLF JV I had \$72.0 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 \$49.9 million at fair value as of June 30, 2024, down 2.8% from \$51.3 million as of March 31, 2024. The decrease was primarily driven by SLF JV I's use of leverage and unrealized depreciation in the underlying investment portfolio.

As of June 30, 2024, Glick JV had \$150.2 million in assets, including senior secured loans to 45 portfolio companies. This compared to \$154.7 million in assets, including senior secured loans to 49 portfolio companies, as of March 31, 2024. Glick JV generated cash interest income of \$1.5 million during the quarter ended June 30, 2024, consistent with the prior quarter. As of June 30, 2024, Glick JV had \$22.0 million of undrawn capacity (subject to borrowing base and other limitations) on its \$100 million senior revolving credit facility, and its debt to equity ratio was 1.5x.

### **Liquidity and Capital Resources**

As of June 30, 2024, the Company had total principal value of debt outstanding of \$1,740.0 million, including \$790.0 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 45% secured and 55% unsecured borrowings as of June 30, 2024. The Company was in compliance with all financial covenants under its credit facilities as of June 30, 2024.

As of June 30, 2024, the Company had \$96.3 million of unrestricted cash and cash equivalents and \$827.5 million of undrawn capacity on its credit facilities (subject to borrowing base and other limitations). As of June 30, 2024, unfunded investment commitments were \$291.4 million, or \$264.3 million excluding unfunded commitments to the Company's joint ventures. Of the \$264.3 million, approximately \$219.4 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 June 30, 2024, the weighted average interest rate on debt outstanding, including the effect of the interest rate swap agreements, was 7.0%, unchanged from March 31, 2024.

The Company's total debt to equity ratio was 1.16x and 1.10x as of each of June 30, 2024 and March 31, 2024, respectively. The Company's net debt to equity ratio was 1.10x and 1.02x as of each of June 30, 2024 and March 31, 2024, respectively.



## 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,

<sup>1</sup> Adjusted earnings (loss) includes accrued Part II incentive fees. As of and for the three months ended June 30, 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 June 30, 2024, no amounts were payable under the A&R Advisory Agreement.

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:

	For the three months ended					
	June 30, 2024 (unaudited)		March 31, 2024 (unaudited)		June 30, 2023 (unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
<i>(\$ in thousands, except per share data)</i>						
GAAP total investment income	\$ 94,966	\$ 1.16	\$ 94,029	\$ 1.18	\$ 101,900	\$ 1.32
Interest income amortization (accretion) related to merger accounting adjustments	607	0.01	3,311	0.04	(842)	(0.01)
Adjusted total investment income	\$ 95,573	\$ 1.17	\$ 97,340	\$ 1.22	\$ 101,058	\$ 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:

	For the three months ended					
	June 30, 2024 (unaudited)		March 31, 2024 (unaudited)		June 30, 2023 (unaudited)	
	Amount	Per Share	Amount	Per Share	Amount	Per Share
<i>(\$ in thousands, except per share data)</i>						
GAAP net investment income	\$ 44,575	\$ 0.54	\$ 41,367	\$ 0.52	\$ 48,413	\$ 0.63
Interest income amortization (accretion) related to merger accounting adjustments	607	0.01	3,311	0.04	(842)	(0.01)
Part II incentive fee	—	—	—	—	—	—
Adjusted net investment income	\$ 45,182	\$ 0.55	\$ 44,678	\$ 0.56	\$ 47,571	\$ 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:

	For the three months ended					
	June 30, 2024 (unaudited)		March 31, 2024 (unaudited)		June 30, 2023 (unaudited)	
	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	\$ (43,455)	\$ (0.53)	\$ (32,030)	\$ (0.40)	\$ (11,728)	\$ (0.15)
Net realized and unrealized gains (losses) related to merger accounting adjustments	(600)	(0.01)	(3,314)	(0.04)	612	0.01
Adjusted net realized and unrealized gains (losses), net of taxes	\$ (44,055)	\$ (0.54)	\$ (35,344)	\$ (0.44)	\$ (11,116)	\$ (0.14)

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					
	June 30, 2024 (unaudited)		March 31, 2024 (unaudited)		June 30, 2023 (unaudited)	
	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	\$ 1,120	\$ 0.01	\$ 9,337	\$ 0.12	\$ 36,685	\$ 0.48
Interest income amortization (accretion) related to merger accounting adjustments	607	0.01	3,311	0.04	(842)	(0.01)
Net realized and unrealized gains (losses) related to merger accounting adjustments	(600)	(0.01)	(3,314)	(0.04)	612	0.01
Adjusted earnings (loss)	\$ 1,127	\$ 0.01	\$ 9,334	\$ 0.12	\$ 36,455	\$ 0.47

## Conference Call Information

Oaktree Specialty Lending will host a conference call to discuss its third fiscal quarter 2024 results at 11:00 a.m. Eastern Time / 8:00 a.m. Pacific Time on August 1, 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 8388100, 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)

	June 30, 2024 (unaudited)	March 31, 2024 (unaudited)	September 30, 2023
<b>ASSETS</b>			
<b>Investments at fair value:</b>			
Control investments (cost June 30, 2024: \$369,660; cost March 31, 2024: \$366,987; cost September 30, 2023: \$345,245)	\$ 299,072	\$ 313,979	\$ 297,091
Affiliate investments (cost June 30, 2024: \$38,101; cost March 31, 2024: \$38,016; cost September 30, 2023: \$24,898)	35,396	35,635	23,349
Non-control/Non-affiliate investments (cost June 30, 2024: \$2,885,171; cost March 31, 2024: \$2,838,769; cost September 30, 2023: \$2,673,976)	2,787,235	2,697,831	2,571,980
<b>Total investments at fair value (cost June 30, 2024: \$3,292,932; March 31, 2024: \$3,243,772; cost September 30, 2023: \$3,044,119)</b>	<b>3,121,703</b>	<b>3,047,445</b>	<b>2,892,420</b>
Cash and cash equivalents	96,321	125,031	136,450
Restricted cash	10,993	12,461	9,089
Interest, dividends and fees receivable	27,609	36,504	44,570
Due from portfolio companies	954	1,797	6,317
Receivables from unsettled transactions	18,760	20,372	55,441
Due from broker	30,310	40,630	54,260
Deferred financing costs	12,418	11,113	12,541
Deferred offering costs	78	90	160
Derivative assets at fair value	436	—	4,910
Other assets	2,599	2,496	1,681
<b>Total assets</b>	<b>\$ 3,322,181</b>	<b>\$ 3,297,939</b>	<b>\$ 3,217,839</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities:</b>			
Accounts payable, accrued expenses and other liabilities	\$ 4,070	\$ 3,775	\$ 2,950
Base management fee and incentive fee payable	15,415	18,556	19,547
Due to affiliate	4,803	3,773	4,310
Interest payable	19,329	16,069	16,007
Payables from unsettled transactions	51,595	61,020	11,006
Derivative liabilities at fair value	33,672	35,005	47,519
Deferred tax liability	—	—	5
Credit facilities payable	790,000	730,000	710,000
Unsecured notes payable (net of \$5,468, \$6,001 and \$7,076 of unamortized financing costs as of June 30, 2024, March 31, 2024 and September 30, 2023, respectively)	907,164	905,642	890,731
<b>Total liabilities</b>	<b>1,826,048</b>	<b>1,773,840</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; 82,245, 81,396 and 77,225 shares issued and outstanding as of June 30, 2024, March 31, 2024 and September 30, 2023, respectively	822	814	772
Additional paid-in-capital	2,264,449	2,248,363	2,166,330
Accumulated overdistributed earnings	(769,138)	(725,078)	(651,338)
<b>Total net assets (equivalent to \$18.19, \$18.72 and \$19.63 per common share as of June 30, 2024, March 31, 2024 and September 30, 2023, respectively)</b>	<b>1,496,133</b>	<b>1,524,099</b>	<b>1,515,764</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,322,181</b>	<b>\$ 3,297,939</b>	<b>\$ 3,217,839</b>

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

	Three months ended June 30, 2024 (unaudited)	Three months ended March 31, 2024 (unaudited)	Three months ended June 30, 2023 (unaudited)	Nine months ended June 30, 2024 (unaudited)	Nine months ended June 30, 2023 (unaudited)
<b>Interest income:</b>					
Control investments	\$ 5,924	\$ 5,949	\$ 5,568	\$ 17,878	\$ 15,326
Affiliate investments	192	10	681	526	1,970
Non-control/Non-affiliate investments	78,681	77,803	88,069	239,205	234,516
Interest on cash and cash equivalents	1,156	1,494	992	5,014	2,221
<b>Total interest income</b>	<b>85,953</b>	<b>85,256</b>	<b>95,310</b>	<b>262,623</b>	<b>254,033</b>
<b>PIK interest income:</b>					
Control investments	677	598	—	1,819	—
Affiliate investments	11	—	—	11	—
Non-control/Non-affiliate investments	5,461	4,218	3,967	12,984	14,220
<b>Total PIK interest income</b>	<b>6,149</b>	<b>4,816</b>	<b>3,967</b>	<b>14,814</b>	<b>14,220</b>
<b>Fee income:</b>					
Control investments	13	13	13	39	38
Affiliate investments	—	—	5	5	15
Non-control/Non-affiliate investments	1,447	2,533	1,555	5,269	5,921
<b>Total fee income</b>	<b>1,460</b>	<b>2,546</b>	<b>1,573</b>	<b>5,313</b>	<b>5,974</b>
<b>Dividend income:</b>					
Control investments	1,400	1,400	1,050	4,200	3,150
Non-control/Non-affiliate investments	4	11	—	30	4
<b>Total dividend income</b>	<b>1,404</b>	<b>1,411</b>	<b>1,050</b>	<b>4,230</b>	<b>3,154</b>
<b>Total investment income</b>	<b>94,966</b>	<b>94,029</b>	<b>101,900</b>	<b>286,980</b>	<b>277,381</b>
<b>Expenses:</b>					
Base management fee	11,781	11,604	11,983	34,862	33,383
Part I incentive fee	8,341	8,452	9,590	25,821	26,300
Professional fees	1,091	1,213	1,387	3,808	4,962
Directors fees	160	160	160	480	480
Interest expense	32,513	31,881	30,793	96,564	79,316
Administrator expense	391	326	322	1,083	935
General and administrative expenses	824	526	752	1,941	2,753
<b>Total expenses</b>	<b>55,101</b>	<b>54,162</b>	<b>54,987</b>	<b>164,559</b>	<b>148,129</b>
Management fees waived	(1,500)	(1,500)	(1,500)	(4,500)	(4,025)
Part I incentive fees waived	(3,210)	—	—	(3,210)	—
<b>Net expenses</b>	<b>50,391</b>	<b>52,662</b>	<b>53,487</b>	<b>156,849</b>	<b>144,104</b>
<b>Net investment income before taxes</b>	<b>44,575</b>	<b>41,367</b>	<b>48,413</b>	<b>130,131</b>	<b>133,277</b>
Excise tax	—	—	—	—	(78)
<b>Net investment income</b>	<b>44,575</b>	<b>41,367</b>	<b>48,413</b>	<b>130,131</b>	<b>133,199</b>
<b>Unrealized appreciation (depreciation):</b>					
Control investments	(17,580)	(6,193)	734	(22,434)	(900)
Affiliate investments	(324)	93	149	(1,156)	(302)
Non-control/Non-affiliate investments	42,997	(21,396)	(6,497)	3,986	(36,296)
Foreign currency forward contracts	1,106	2,244	4,575	(4,474)	(4,802)
<b>Net unrealized appreciation (depreciation)</b>	<b>26,199</b>	<b>(25,252)</b>	<b>(1,039)</b>	<b>(24,078)</b>	<b>(42,300)</b>
<b>Realized gains (losses):</b>					
Control investments	—	—	—	786	—
Non-control/Non-affiliate investments	(69,163)	(5,433)	(4,294)	(87,936)	(14,404)
Foreign currency forward contracts	(289)	(1,170)	(6,309)	2,642	(5,513)
<b>Net realized gains (losses)</b>	<b>(69,452)</b>	<b>(6,603)</b>	<b>(10,603)</b>	<b>(84,508)</b>	<b>(19,917)</b>
<b>(Provision) benefit for taxes on realized and unrealized gains (losses)</b>					
	(202)	(175)	(86)	(553)	397
<b>Net realized and unrealized gains (losses), net of taxes</b>	<b>(43,455)</b>	<b>(32,030)</b>	<b>(11,728)</b>	<b>(109,139)</b>	<b>(61,820)</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ 1,120</b>	<b>\$ 9,337</b>	<b>\$ 36,685</b>	<b>\$ 20,992</b>	<b>\$ 71,379</b>
<b>Net investment income per common share — basic and diluted</b>	<b>\$ 0.54</b>	<b>\$ 0.52</b>	<b>\$ 0.63</b>	<b>\$ 1.63</b>	<b>\$ 1.89</b>
<b>Earnings (loss) per common share — basic and diluted</b>	<b>\$ 0.01</b>	<b>\$ 0.12</b>	<b>\$ 0.48</b>	<b>\$ 0.26</b>	<b>\$ 1.01</b>
Weighted average common shares outstanding — basic and diluted	81,830	79,763	77,080	79,804	70,431



**OAKTREE**  
OCSL | Specialty Lending Corporation

**Earnings Presentation**  
**NASDAQ: OCSL**

Third Quarter 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 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; the cost or potential outcome of any litigation to which we may be a party; and the impact of current economic conditions, including those caused by inflation, a rising interest rate environment and geopolitical events on all of the foregoing. 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 June 30, 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, 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 June 30, 2024.

## Highlights for the Quarter Ended June 30, 2024

<b>Adjusted Net Investment Income<sup>1</sup></b>	<ul style="list-style-type: none"> <li>• \$0.55 per share, as compared with \$0.56 per share for the quarter ended March 31, 2024</li> <li>• GAAP net investment income was \$0.54 per share, as compared with \$0.52 in the quarter ended March 31, 2024</li> </ul>
<b>Net Asset Value Per Share</b>	<ul style="list-style-type: none"> <li>• \$18.19 per share, as compared with \$18.72 per share as of March 31, 2024</li> <li>• The decrease was primarily due to 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 sixth quarter in a row</li> <li>• Distribution will be payable on September 30, 2024 to stockholders of record as of September 16, 2024</li> </ul>
<b>Investment Activity</b>	<ul style="list-style-type: none"> <li>• \$339 million of new investment commitments</li> <li>• 11.1% weighted average yield on new debt investments</li> <li>• \$293 million of new investment fundings</li> <li>• Received \$186 million of proceeds from prepayments, exits, other paydowns and sales</li> </ul>
<b>Investment Portfolio</b>	<ul style="list-style-type: none"> <li>• \$3.1 billion at fair value across 158 portfolio companies</li> <li>• 11.9% weighted average yield on debt investments, down from 12.2% in the prior quarter</li> <li>• 86% senior secured, including 82% 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>• 1.10x net debt to equity ratio</li> <li>• \$96 million of cash and \$828 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>• 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> </ul>
<b>Fee Waiver</b>	<ul style="list-style-type: none"> <li>• Waived additional base management fees such that the total amount of waived base management fees (including those previously waived) was \$1.5 million for each of the quarters ended March 31, 2024 and June 30, 2024</li> <li>• Waived Part I Incentive fees for quarter, totaling \$3.2 million</li> </ul>

1. See appendix 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) was \$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

### Lower Fees

- Lower base management fee vs. top-20 listed BDCs by market cap<sup>1</sup>

	Current Fee Structure	New Fee Structure
Base Management Fee	1.50%	1.00% <sup>2</sup>
Incentive Fee on Income and Capital Gains	17.50%	17.50%
Incentive Fee Hurdle Rate	6.00%	6.00%

1. Top-20 listed BDCs by market capitalization as of July 26, 2024: ARCC, BBDC, BCSF, BXSL, CGBD, CSWC, FSK, GBDC, GSBD, HTGC, MAIN, MFIC, MSDI, NCDL, NMFC, OBDC, OBDE, OCSL, PSEC, and TSLX.

2. Net of existing base management fee waivers.

# Portfolio Summary

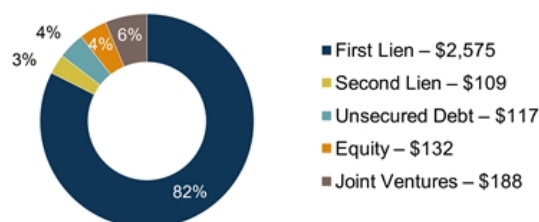
## Portfolio Characteristics

(At fair value)

<b>\$3.1bn</b> Total Investments	<b>158</b> Portfolio Companies
<b>11.9%</b> Weighted Average Yield on Debt Investments	<b>\$147mm</b> Median Debt Portfolio Company EBITDA <sup>1</sup>
<b>86%</b> Senior Secured Debt Investments	<b>85%</b> Floating Rate

## Portfolio Composition

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



Top 10 Industries <sup>2,3</sup>	% FV
Application Software	16.4%
Biotechnology	4.1%
Health Care Services	3.6%
Health Care Technology	3.3%
Interactive Media & Services	3.1%
Industrial Machinery & Supplies & Components	3.0%
Data Processing & Outsourced Services	2.9%
Pharmaceuticals	2.7%
Real Estate Operating Companies	2.5%
Diversified Financial Services	2.2%
<b>Total Top 10</b>	<b>43.8%</b>

As of June 30, 2024

Note: Numbers may not sum due to rounding.

1. Excludes investments in negative EBITDA borrowers, life sciences lending, royalty interest financings, structured products, non-accruals, recurring revenue businesses and other non-EBITDA borrowers.

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 LLC (the "Glick JV"), joint ventures that invest primarily in senior secured loans of middle market companies.

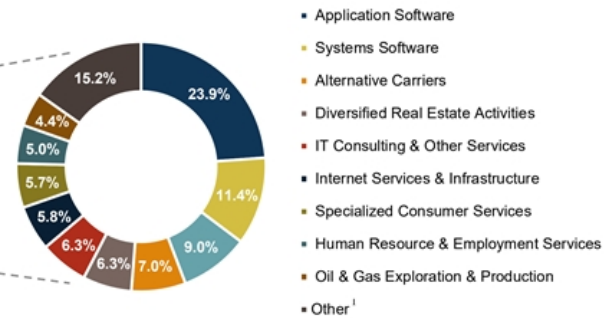
# Spotlight on OCSL's Software Exposure

## 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 Summary Characteristics

Fair Value (\$ in millions)	\$563
Number of Portfolio Companies	26
First Lien (% of software portfolio)	96.6%
Average Portfolio Company Revenues <sup>2</sup> (\$ millions)	\$650
Average LTV <sup>3</sup>	41%

As of June 30, 2024

1. Includes Broadcasting, Aerospace & Defense, Education Services, Diversified Support Services, Diversified Financial Services, Property & Casualty Insurance, and Interactive Media & Services

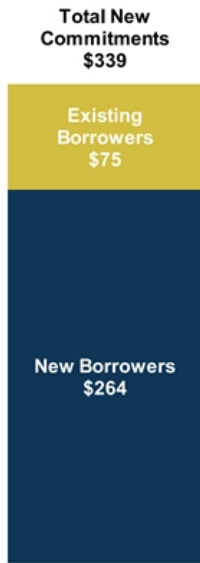
2. Revenues based on the most recent portfolio company financial statements for the trailing twelve-month reported period.

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

(\$ in millions)



**11**  
new borrowers

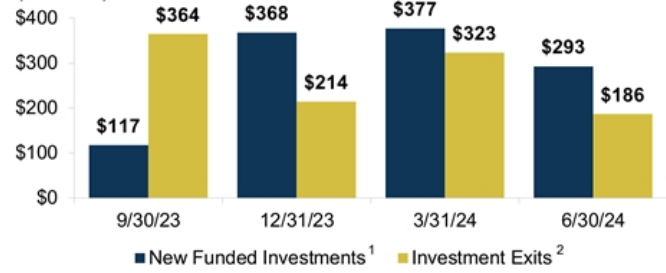
**9**  
existing borrowers

**11.1%**  
weighted average yield on new debt commitments

**100%**  
also held by other Oaktree funds

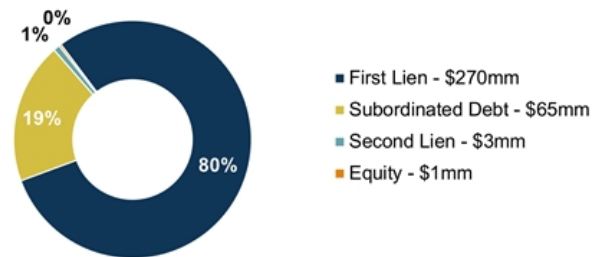
## Historical Funded Originations and Exits

(\$ in millions)



## Seniority Breakdown

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



As of June 30, 2024

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)	
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%
3Q2024	\$339	20	\$270	\$3	\$65	\$256	\$58	\$24	97%

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 Oaktree Strategic Income II, Inc. (the "OSI2 Merger").

# Financial Highlights

(\$ and number of shares in thousands, except per share amounts)	As of				
	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
GAAP Net Investment Income per Share	\$0.54	\$0.52	\$0.57	\$0.62	\$0.63
<i>Adjusted Net Investment Income per Share<sup>1</sup></i>	\$0.55	\$0.56	\$0.57	\$0.62	\$0.62
Net Realized and Unrealized Gains (Losses), Net of Taxes per Share	-\$0.53	-\$0.40	-\$0.43	-\$0.02	-\$0.15
<i>Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes per Share<sup>1</sup></i>	-\$0.54	-\$0.44	-\$0.42	-\$0.02	-\$0.14
Earnings (Loss) per Share	\$0.01	\$0.12	\$0.14	\$0.60	\$0.48
<i>Adjusted Earnings (Loss) per Share<sup>1</sup></i>	\$0.01	\$0.12	\$0.15	\$0.60	\$0.47
Quarterly Distributions per Share	\$0.55	\$0.55	\$0.55	\$0.55	\$0.55
Special Distributions per Share	--	--	\$0.07	--	--
NAV per Share	\$18.19	\$18.72	\$19.14	\$19.63	\$19.58
Weighted Average Shares Outstanding	81,830	79,763	77,840	77,130	77,080
Shares Outstanding, End of Period	82,245	81,396	78,965	77,225	77,080
Investment Portfolio (at Fair Value)	\$3,121,703	\$3,047,445	\$3,018,552	\$2,892,420	\$3,135,619
Cash and Cash Equivalents	\$96,321	\$125,031	\$112,369	\$136,450	\$59,704
Total Assets	\$3,322,181	\$3,297,939	\$3,266,195	\$3,217,839	\$3,335,974
Total Debt Outstanding <sup>2</sup>	\$1,679,164	\$1,635,642	\$1,622,717	\$1,600,731	\$1,740,066
Net Assets	\$1,496,133	\$1,524,099	\$1,511,651	\$1,515,764	\$1,509,441
Total Debt to Equity Ratio	1.16x	1.10x	1.10x	1.10x	1.18x
Net Debt to Equity Ratio	1.10x	1.02x	1.02x	1.01x	1.14x
Weighted Average Interest Rate on Debt Outstanding <sup>3</sup>	7.0%	7.0%	7.0%	7.0%	6.6%

1. See appendix 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				
	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
Investments at Fair Value	\$3,121,703	\$3,047,445	\$3,018,552	\$2,892,420	\$3,135,619
Number of Portfolio Companies	158	151	146	143	156
Average Debt Investment Size	\$19,900	\$20,100	\$20,200	\$19,800	\$19,800
<b>Asset Class:</b>					
First Lien	82.5%	80.8%	77.9%	76.4%	76.5%
Second Lien	3.5%	5.4%	8.4%	10.1%	12.0%
Unsecured Debt	3.8%	2.6%	2.5%	1.9%	1.7%
Equity	4.2%	4.8%	4.8%	5.0%	3.8%
Joint Venture Interests	6.0%	6.4%	6.4%	6.6%	6.0%
<b>Interest Rate Type for Debt Investments:</b>					
% Floating-Rate	85.3%	85.4%	84.3%	86.2%	86.0%
% Fixed-Rate	14.7%	14.6%	15.7%	13.8%	14.0%
<b>Yields:</b>					
Weighted Average Yield on Debt Investments <sup>1</sup>	11.9%	12.2%	12.2%	12.7%	12.3%
Cash Component of Weighted Average Yield on Debt Investments	10.6%	11.0%	11.1%	11.2%	11.4%
Weighted Average Yield on Total Portfolio Investments <sup>2</sup>	11.5%	11.7%	11.7%	12.0%	11.8%

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

## Investment Activity

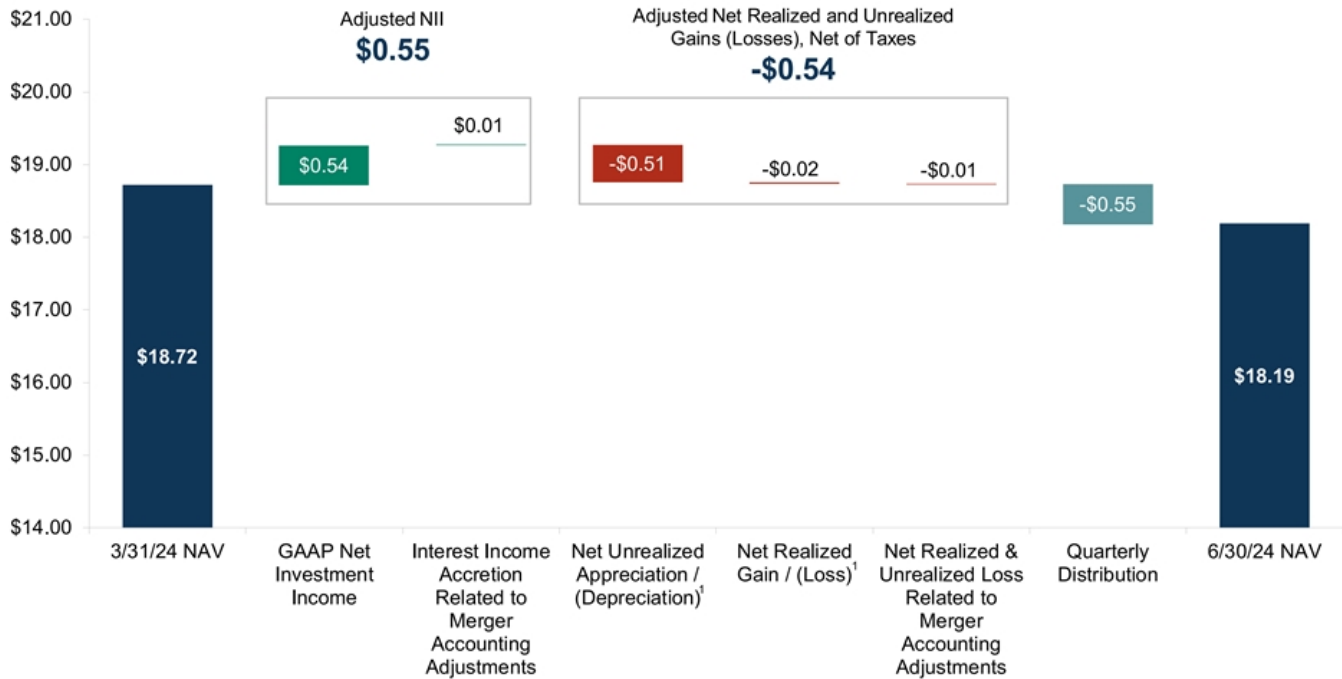
(\$ in thousands)	As of				
	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
New Investment Commitments	\$338,700	\$395,600	\$370,300	\$87,500	\$251,000
New Funded Investment Activity <sup>1</sup>	\$293,200	\$377,400	\$367,600	\$117,100	\$243,300
Proceeds from Prepayments, Exits, Other Paydowns and Sales	\$185,500	\$322,600	\$213,500	\$364,400	\$261,000
Net New Investments <sup>2</sup>	\$107,700	\$54,800	\$154,100	-\$247,300	-\$17,700
New Investment Commitments in New Portfolio Companies	11	20	14	3	6
New Investment Commitments in Existing Portfolio Companies	9	15	10	3	4
Portfolio Company Exits	3	15	10	16	16
Weighted Average Yield at Cost on New Debt Investment Commitments	11.1%	11.1%	11.6%	12.0%	12.6%

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

2. 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 appendix 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

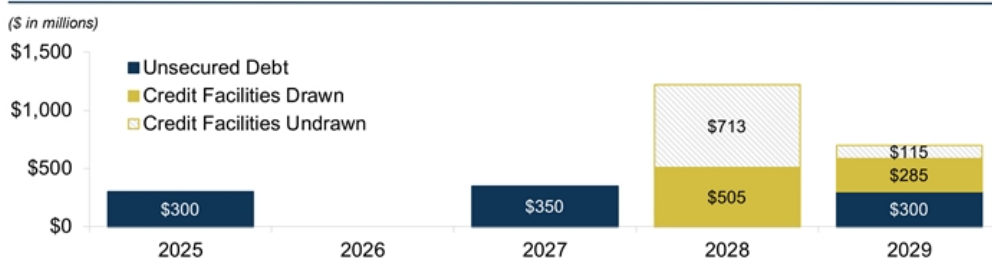
**55%**  
Unsecured Borrowings

**\$0.9bn**  
Available Liquidity<sup>2</sup>

## Funding Sources

(\$ in millions)	Facility Size	6/30/24 Outstanding	Interest Rate	Maturity
<i>Secured Credit Facilities</i>				
Syndicated Facility	\$1,218	\$505	SOFR + 2.00%	Jun-28
Citibank Facility	\$400	\$285	SOFR + 2.35%	Jan-29
<b>Secured Debt Subtotal</b>	<b>\$1,618</b>	<b>\$790</b>		
<i>Unsecured Debt</i>				
2025 Notes	\$300	\$300	3.50%	Feb-25
2027 Notes	\$350	\$350	2.70% (SOFR + 1.658%) <sup>1</sup>	Jan-27
2029 Notes	\$300	\$300	7.10% (SOFR + 3.126%) <sup>1</sup>	Feb-29
<b>Unsecured Debt Subtotal</b>	<b>\$950</b>	<b>\$950</b>		
<b>Total Debt</b>	<b>\$2,568</b>	<b>\$1,740</b>		

## Maturities



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

As of June 30, 2024

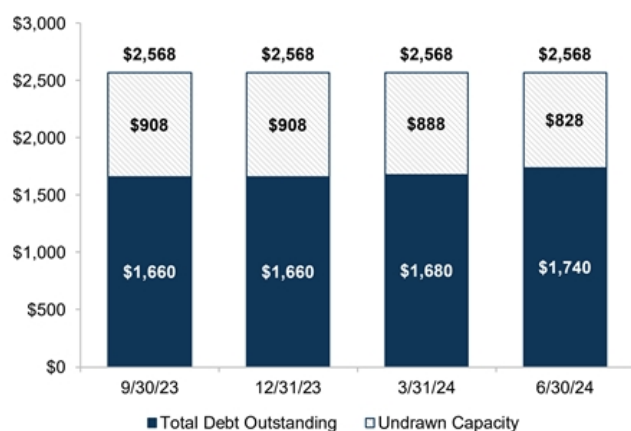
Note: Numbers may not sum due to rounding.

- The Company entered into an interest rate swap agreement under which the Company receives a fixed interest rate and pays a floating rate based on three-month SOFR plus a spread.
- Liquidity was composed of \$96 million of unrestricted cash and cash equivalents and \$828 million of undrawn capacity under the credit facilities (subject to borrowing base and other limitations).

# Funding and Liquidity Metrics

## Leverage Utilization

(\$ in millions)



(\$ in millions)	9/30/23	12/31/23	3/31/24	6/30/24
Cash and Equivalents	\$136	\$112	\$125	\$96
Net Assets	\$1,516	\$1,512	\$1,524	\$1,496
Total Leverage	1.10x	1.10x	1.10x	1.16x
Net Leverage	1.01x	1.02x	1.02x	1.10x

## Liquidity Overview

(\$ in millions)	9/30/23	12/31/23	3/31/24	6/30/24
Credit Facilities Committed	\$1,618	\$1,618	\$1,618	\$1,618
Credit Facilities Drawn	-\$710	-\$710	-\$730	-\$790
Cash and Equivalents	\$136	\$112	\$125	\$96
<b>Total Liquidity</b>	<b>\$1,044</b>	<b>\$1,020</b>	<b>\$1,013</b>	<b>\$924</b>
Unfunded Commitments <sup>1</sup>	-\$206	-\$200	-\$209	-\$264
Unavailable Unfunded Commitments <sup>2</sup>	\$51	\$34	\$30	\$45
<b>Adjusted Liquidity</b>	<b>\$889</b>	<b>\$854</b>	<b>\$834</b>	<b>\$705</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 June 30, 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 JVs are income-enhancing vehicles that primarily invest in senior secured loans of middle market companies and other corporate debt securities

## Key Attributes:

- 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>\$138mm</b> OCSL's Investments in the Kemper JV	<b>4.4%</b> % of OCSL's Portfolio
<b>\$4.7mm</b> Net Investment Income <sup>1</sup>	<b>13.1%</b> Return on OCSL's Investment (Annualized) <sup>2</sup>

### Glick JV Characteristics

(At fair value)

<b>\$49mm</b> OCSL's Investments in the Glick JV	<b>1.6%</b> % of OCSL's Portfolio
<b>\$1.7mm</b> Net Investment Income <sup>3</sup>	<b>13.3%</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
\$477mm	99%	50	10.1%	1.4x

As of June 30, 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 June 30, 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 June 30, 2024.
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 June 30, 2024.



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## Appendix

# Quarterly Statement of Operations

(\$ in thousands)	For the three months ended				
	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
<b>Investment income</b>					
Interest income	\$85,953	\$85,256	\$91,414	\$94,732	\$95,310
PIK interest income	\$6,149	\$4,816	\$3,849	\$5,544	\$3,967
Fee income	\$1,460	\$2,546	\$1,307	\$572	\$1,573
Dividend income	\$1,404	\$1,411	\$1,415	\$1,057	\$1,050
<b>GAAP total investment income</b>	<b>\$94,966</b>	<b>\$94,029</b>	<b>\$97,985</b>	<b>\$101,905</b>	<b>\$101,900</b>
Interest income amortization related to merger accounting adjustments	\$607	\$3,311	\$29	\$252	-\$842
<b>Adjusted total investment income</b>	<b>\$95,573</b>	<b>\$97,340</b>	<b>\$98,014</b>	<b>\$102,157</b>	<b>\$101,058</b>
<b>Expenses</b>					
Base management fee	\$11,781	\$11,604	\$11,477	\$11,516	\$11,983
Part I incentive fee	\$8,341	\$8,452	\$9,028	\$9,531	\$9,590
Part II incentive fee	--	--	--	--	--
Interest expense	\$32,513	\$31,881	\$32,170	\$32,326	\$30,793
Other operating expenses <sup>1</sup>	\$2,466	\$2,225	\$2,621	\$2,534	\$2,621
<b>Total expenses</b>	<b>\$55,101</b>	<b>\$54,162</b>	<b>\$55,296</b>	<b>\$55,907</b>	<b>\$54,987</b>
Fees waived	-\$1,500	-\$1,500	-\$1,500	-\$1,500	-\$1,500
Part incentive fees waived	-\$3,210	--	--	--	--
<b>Net expenses</b>	<b>\$50,391</b>	<b>\$52,662</b>	<b>\$53,796</b>	<b>\$54,407</b>	<b>\$53,487</b>
<b>GAAP net investment income</b>	<b>\$44,575</b>	<b>\$41,367</b>	<b>\$44,189</b>	<b>\$47,498</b>	<b>\$48,413</b>
Less: Interest income accretion related to merger accounting adjustments	\$607	\$3,311	\$29	\$252	-\$842
Add: Part II incentive fee	--	--	--	--	--
<b>Adjusted net investment income</b>	<b>\$45,182</b>	<b>\$44,678</b>	<b>\$44,218</b>	<b>\$47,750</b>	<b>\$47,571</b>

Note: See appendix 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				
	6/30/2024	3/31/2024	12/31/2023	9/30/2023	6/30/2023
<b>Net realized and unrealized gains (losses)</b>					
Net unrealized appreciation (depreciation)	\$26,199	-\$25,252	-\$25,025	\$13,745	-\$1,039
Net realized gains (losses)	-\$69,452	-\$6,603	-\$8,453	-\$13,238	-\$10,603
(Provision) benefit for taxes on realized and unrealized gains (losses)	-\$202	-\$175	-\$176	-\$2,053	-\$86
<b>GAAP net realized and unrealized gains (losses), net of taxes</b>	<b>-\$43,455</b>	<b>-\$32,030</b>	<b>-\$33,654</b>	<b>-\$1,546</b>	<b>-\$11,728</b>
Net realized and unrealized losses (gains) related to merger accounting adjustments	-\$600	-\$3,314	\$796	-\$122	\$612
<b>Adjusted net realized and unrealized gains (losses), net of taxes</b>	<b>-\$44,055</b>	<b>-\$35,344</b>	<b>-\$32,858</b>	<b>-\$1,668</b>	<b>-\$11,116</b>
<b>GAAP net increase (decrease) in net assets resulting from operations</b>	<b>\$1,120</b>	<b>\$9,337</b>	<b>\$10,535</b>	<b>\$45,952</b>	<b>\$36,685</b>
Interest income amortization (accretion) related to merger accounting adjustments	\$607	\$3,311	\$29	\$252	-\$842
Net realized and unrealized losses (gains) related to merger accounting adjustments	-\$600	-\$3,314	\$796	-\$122	\$612
<b>Adjusted earnings (loss)</b>	<b>\$1,127</b>	<b>\$9,334</b>	<b>\$11,360</b>	<b>\$46,082</b>	<b>\$36,455</b>
<b>Per share data:</b>					
GAAP total investment income	\$1.16	\$1.18	\$1.26	\$1.32	\$1.32
Adjusted total investment income	\$1.17	\$1.22	\$1.26	\$1.32	\$1.31
GAAP net investment income	\$0.54	\$0.52	\$0.57	\$0.62	\$0.63
Adjusted net investment income	\$0.55	\$0.56	\$0.57	\$0.62	\$0.62
GAAP net realized and unrealized gains (losses), net of taxes	-\$0.53	-\$0.40	-\$0.43	-\$0.02	-\$0.15
Adjusted net realized and unrealized gains (losses), net of taxes	-\$0.54	-\$0.44	-\$0.42	-\$0.02	-\$0.14
GAAP net increase/decrease in net assets resulting from operations	\$0.01	\$0.12	\$0.14	\$0.60	\$0.48
Adjusted earnings (loss)	\$0.01	\$0.12	\$0.15	\$0.60	\$0.47
Weighted average common shares outstanding	81,830	79,763	77,840	77,130	77,080
<b>Shares outstanding, end of period</b>	<b>82,245</b>	<b>81,396</b>	<b>78,965</b>	<b>77,225</b>	<b>77,080</b>

Note: See appendix 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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