

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

**FORM 8-K**

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

**Date of Report (Date of earliest event reported): November 14, 2023**

**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 November 14, 2023, Oaktree Specialty Lending Corporation (the “Company”) issued a press release announcing its financial results for the fiscal quarter and year ended September 30, 2023. A copy of the press release is attached hereto as Exhibit 99.1.

On November 14, 2023, the Company will host a conference call to discuss its financial results for the fiscal quarter and year ended September 30, 2023. In connection therewith, the Company provided an investor presentation on its website at <http://www.oaktreespecialtylending.com>. A copy of the investor presentation is attached hereto as Exhibit 99.2.

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

**Item 9.01. Financial Statements and Exhibits.**

(d) *Exhibits*

99.1 [Press release of Oaktree Specialty Lending Corporation dated November 14, 2023](#)

99.2 [Oaktree Specialty Lending Corporation Fourth Quarter and Fiscal Year 2023 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: November 14, 2023

By: /s/ Christopher McKown

Name: Christopher McKown

Title: Chief Financial Officer and Treasurer



**Oaktree Specialty Lending Corporation Announces Fourth Fiscal Quarter and Full Year 2023  
Financial Results and Declares Quarterly Distribution of \$0.55 Per Share and Special  
Distribution of \$0.07 Per Share**

LOS ANGELES, CA, November 14, 2023 - Oaktree Specialty Lending Corporation (NASDAQ: OCSL) ("Oaktree Specialty Lending" or the "Company"), a specialty finance company, today announced its financial results for the fiscal quarter and year ended September 30, 2023.

**Financial Highlights for the Quarter and Year Ended September 30, 2023<sup>1</sup>**

- **Total investment income** was \$101.9 million (\$1.32 per share) and \$379.3 million (\$5.26 per share) for the fourth fiscal quarter and full year, as compared with \$101.9 million (\$1.32 per share) and \$262.5 million (\$4.32 per share) for the third fiscal quarter of 2023 and the full year of 2022. Adjusted total investment income was \$102.2 million (\$1.32 per share) and \$376.4 million (\$5.22 per share) for fiscal quarter and full year ended September 30, 2023, as compared with \$101.1 million (\$1.31 per share) and \$251.3 million (\$4.14 per share) for the third fiscal quarter of 2023 and the full year of 2022. The increase for the quarter was primarily driven by higher original issue discount ("OID") acceleration from investment repayments, partially offset by lower fee income. The increase for the full year was primarily driven by the impact of higher base rates on the Company's floating rate debt portfolio and the growth of the investment portfolio from the assets acquired in the merger with Oaktree Strategic Income II, Inc. ("OSI2") (the "OSI2 Merger").
- **GAAP net investment income** was \$47.5 million (\$0.62 per share) and \$180.7 million (\$2.51 per share) for the fourth fiscal quarter and full year, as compared with \$48.4 million (\$0.63 per share) and \$148.6 million (\$2.45 per share) for the third fiscal quarter of 2023 and full year of 2022. The decrease for the quarter was primarily driven by higher interest expense, partially offset by lower base management fees (net of waivers). The increase for the full year was primarily driven by higher adjusted total investment income, partially offset by higher interest expense, incentive and base management fees, and other operating expenses.
- **Adjusted net investment income** was \$47.8 million (\$0.62 per share) and \$177.8 million (\$2.47 per share) for the fourth fiscal quarter and full year, as compared with \$47.6 million (\$0.62 per share) and \$128.6 million (\$2.12 per share) for the third fiscal quarter of 2023 and the full year of 2022. The increase for the full year was primarily driven by higher adjusted total investment income, partially offset by higher interest expense, incentive and base management fees, and other operating expenses.
- **Net asset value ("NAV") per share** was \$19.63 as of September 30, 2023, up slightly as compared with \$19.58 as of June 30, 2023 and down from \$20.38 as of September 30, 2022. The increase from June 30, 2023 was mainly the result of undistributed net investment income. The decline from September 30, 2022 primarily reflected credit spread widening on debt investments that drove unrealized losses on certain investments and the impact of the December 2022 special distribution.
- **Originated** \$87.5 million of new investment commitments and received \$364.4 million of proceeds from prepayments, exits, other paydowns and sales during the quarter ended September 30, 2023. The weighted average yield on new debt investments was 12.0%.
- **Total debt outstanding** was \$1,660.0 million as of September 30, 2023. The total debt to equity ratio was 1.10x, and the net debt to equity ratio was 1.01x, after adjusting for cash and cash equivalents.
- **The Company issued \$300 million of unsecured notes** during the quarter ended September 30, 2023 that mature on February 15, 2029 and bear interest at a rate of 7.100%. In connection with the issuance of the 2027 Notes, 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 3.1255% on a notional amount of \$300 million.
- **Liquidity** as of September 30, 2023 was composed of \$136.5 million of unrestricted cash and cash equivalents and \$907.5 million of undrawn capacity under the Company's credit facilities (subject to borrowing base and other limitations). Unfunded investment commitments were \$232.7 million, or \$205.6 million excluding unfunded commitments to the Company's joint ventures. Of the \$205.6 million, approximately \$154.2 million can be drawn immediately with the remaining amount subject to certain milestones that must be met by portfolio companies or other restrictions.

<sup>1</sup> 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 press release reflect the reverse stock split on a retroactive basis

- **A quarterly cash distribution was declared** of \$0.55 per share. The distribution is payable in cash on December 29, 2023 to stockholders of record on December 15, 2023.
- **A special cash distributions was declared** of \$0.07 per share. The distribution is payable in cash on December 29, 2023 to stockholders of record on December 15, 2023..

Armen Panossian, Chief Executive Officer and Chief Investment Officer, said, "We delivered solid fourth quarter results, culminating a fiscal year defined by strong earnings growth and attractive new deployment activity. We produced record adjusted net investment income for the year, driven by higher base rates that highlighted the power of our predominantly floating rate loan portfolio, as well as our ability to deploy capital at wider spreads. This enabled us to generate an ROE of over 12% for the year."

"Additionally, our merger with Oaktree Strategic Income II, Inc. contributed to our record results. The transaction, which closed in January and proved accretive to earnings, created greater scale and financial flexibility that we believe will drive continued positive investment performance. We also strengthened our capital structure in August through the issuance of \$300 million of notes due 2029, creating additional flexibility and increased investment capacity that positions OCSL to prudently pursue new investment opportunities and favorable returns for our shareholders."

#### **Distribution Declaration**

The Board of Directors declared quarterly and special distributions of \$0.55 per share and \$0.07 per share, respectively. The distributions are payable in cash on December 29, 2023 to stockholders of record on December 15, 2023.

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

(\$ in thousands, except per share data)	For the three months ended			For the year ended	
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(unaudited)	(unaudited)	(unaudited)		
<b>GAAP operating results:</b>					
Interest income	\$ 94,732	\$ 95,310	\$ 61,719	\$ 348,765	\$ 228,916
PIK interest income	5,544	3,967	6,011	19,764	20,526
Fee income	572	1,573	1,539	6,546	6,631
Dividend income	1,057	1,050	875	4,211	6,447
<b>Total investment income</b>	<b>101,905</b>	<b>101,900</b>	<b>70,144</b>	<b>379,286</b>	<b>262,520</b>
Net expenses	54,407	53,487	34,286	198,511	110,591
(Provision) benefit for taxes on net investment income	—	—	—	—	(3,308)
Excise tax	—	—	—	(78)	—
<b>Net investment income</b>	<b>47,498</b>	<b>48,413</b>	<b>35,858</b>	<b>180,697</b>	<b>148,621</b>
Net realized and unrealized gains (losses), net of taxes	(1,546)	(11,728)	(22,650)	(63,366)	(119,398)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ 45,952</b>	<b>\$ 36,685</b>	<b>\$ 13,208</b>	<b>\$ 117,331</b>	<b>\$ 29,223</b>
Total investment income per common share	\$ 1.32	\$ 1.32	\$ 1.15	\$ 5.26	\$ 4.32
Net investment income per common share	\$ 0.62	\$ 0.63	\$ 0.59	\$ 2.51	\$ 2.45
Net realized and unrealized gains (losses), net of taxes per common share	\$ (0.02)	\$ (0.15)	\$ (0.37)	\$ (0.88)	\$ (1.97)
Earnings (loss) per common share — basic and diluted	\$ 0.60	\$ 0.48	\$ 0.22	\$ 1.63	\$ 0.48
<b>Non-GAAP Financial Measures<sup>1</sup>:</b>					
Adjusted total investment income	\$ 102,157	\$ 101,058	\$ 67,971	\$ 376,389	\$ 251,303
Adjusted net investment income	\$ 47,750	\$ 47,571	\$ 33,685	\$ 177,800	\$ 128,613
Adjusted net realized and unrealized gains (losses), net of taxes	\$ (1,668)	\$ (11,116)	\$ (20,477)	\$ (40,175)	\$ (108,183)
Adjusted earnings (loss)	\$ 46,082	\$ 36,455	\$ 13,208	\$ 137,625	\$ 29,221
Adjusted total investment income per share	\$ 1.32	\$ 1.31	\$ 1.11	\$ 5.22	\$ 4.14
Adjusted net investment income per share	\$ 0.62	\$ 0.62	\$ 0.55	\$ 2.47	\$ 2.12
Adjusted net realized and unrealized gains (losses), net of taxes per Share	\$ (0.02)	\$ (0.14)	\$ (0.34)	\$ (0.56)	\$ (1.78)
Adjusted earnings (loss) per share	\$ 0.60	\$ 0.47	\$ 0.22	\$ 1.91	\$ 0.48

<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 Oaktree Strategic Income Corporation ("OCSI") with and into the Company in March 2021 (the "OCSI Merger") and the OS12 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.

(\$ in thousands, except per share data and ratios)	As of		
	September 30, 2023	June 30, 2023	September 30, 2022
		(unaudited)	
<b>Select balance sheet and other data:</b>			
Cash and cash equivalents	\$ 136,450	\$ 59,704	\$ 23,528
Investment portfolio at fair value	2,892,420	3,135,619	2,494,111
Total debt outstanding (net of unamortized financing costs)	1,600,731	1,740,066	1,301,043
Net assets	1,515,764	1,509,441	1,245,563
Net asset value per share	19.63	19.58	20.38
Total debt to equity ratio	1.10x	1.18x	1.08x
Net debt to equity ratio	1.01x	1.14x	1.06x

Adjusted total investment income for the quarter ended September 30, 2023 was \$102.2 million and included \$95.0 million of interest income from portfolio investments, \$5.5 million of payment-in-kind ("PIK") interest income, \$0.6 million of fee income and \$1.1 million of dividend income. The \$1.1 million sequential increase in adjusted total investment income was attributable to a \$2.1 million increase in interest income mainly due to higher OID acceleration from exited investments, partially offset by a \$1.0 million decrease in fee income mainly driven by lower commitment and exit fees.

Adjusted total investment income for the full year ended September 30, 2023 was \$376.4 million and included \$345.9 million of interest income from portfolio investments, \$19.8 million of PIK interest income, \$6.5 million of fee income and \$4.2 million of dividend income. The \$125.1 million year-over-year increase was primarily driven by \$127.4 million of higher interest income principally due to the growth in the size of the investment portfolio following the merger with OS12 as well as the impact of higher base rates on the Company's floating rate debt portfolio. This was partially offset by \$2.2 million of lower dividend income.

Net expenses for the quarter ended September 30, 2023 totaled \$54.4 million, up \$0.9 million from the quarter ended June 30, 2023. The increase in net expenses was primarily driven by \$1.5 million of higher interest expense due to the impact of rising interest rates on the Company's floating rate liabilities. This was partially offset by a \$0.5 million decrease in base management fees during the quarter due to a decrease in the size of the investment portfolio.

Net expenses for full-year ended September 30, 2023 totaled \$198.5 million, up \$87.9 million from the year ended September 30, 2022. The increase was primarily driven by \$64.7 million of higher interest expense due to the impact of rising interest rates on the Company's floating rate liabilities and an increase in average borrowings outstanding. Further contributing to the increase were \$9.2 million of higher part I incentive fees as a result of higher adjusted net investment income during the year, an \$8.8 million reversal of previously accrued capital gains incentive fees in the prior year, \$2.8 million of higher management fees (net of waivers) as a result of a larger investment portfolio and a \$2.4 million increase professional fees and general and administrative expenses during the year.

Adjusted net investment income was \$47.8 million (\$0.62 per share) for the quarter ended September 30, 2023, up slightly from \$47.6 million (\$0.62 per share) for the quarter ended June 30, 2023. The increase of \$0.2 million primarily reflected \$1.1 million of higher adjusted total investment income, partially offset by \$0.9 million of higher net expenses.

Adjusted net investment income was \$177.8 million (\$2.47 per share) for the full year 2023, up from \$128.6 million (\$2.12 per share) for the year ended September 30, 2022. The increase of \$49.2 million primarily reflected \$125.1 million of higher adjusted total investment income and a \$3.3 million decrease in the provision for income taxes on net investment income, partially offset by \$64.7 million of higher interest expense, \$9.2 million of higher part I incentive fees, \$2.8 million of higher management fees (net of waivers) and a \$2.4 million increase in professional fees and general and administrative expenses during the year.

Adjusted net realized and unrealized losses, net of taxes, was \$1.7 million for the quarter ended September 30, 2023, primarily reflecting the impact of the provision for income taxes. Adjusted net realized and unrealized losses, net of taxes, was \$40.2 million for the year ended September 30, 2023, primarily reflecting realized and unrealized losses on certain debt and equity investments.

## Portfolio and Investment Activity

(\$ in thousands)	As of		
	September 30, 2023 (unaudited)	June 30, 2023 (unaudited)	September 30, 2022 (unaudited)
Investments at fair value	\$ 2,892,420	\$ 3,135,619	\$ 2,494,111
Number of portfolio companies	143	156	149
Average portfolio company debt size	\$ 19,800	\$ 19,800	\$ 16,500
<b>Asset class:</b>			
Senior secured debt	86.5%	88.5%	86.9%
Unsecured debt	1.9%	1.7%	2.3%
Equity	5.0%	3.8%	4.2%
JV interests	6.6%	6.0%	6.7%
<b>Non-accrual debt investments:</b>			
Non-accrual investments at fair value	\$ 48,743	\$ 91,152	\$ —
Non-accrual investments as a percentage of debt investments at fair value	1.8%	3.1%	— %
Non-accrual investments as a percentage of debt investments at cost	2.4%	3.6%	— %
Number of investments on non-accrual	4	5	—
<b>Interest rate type:</b>			
Percentage floating-rate	86.2%	86.0%	86.5%
Percentage fixed-rate	13.8%	14.0%	13.5%
<b>Yields:</b>			
Weighted average yield on debt investments <sup>1</sup>	12.7%	12.3%	10.6%
Cash component of weighted average yield on debt investments	11.2%	11.4%	9.3%
Weighted average yield on total portfolio investments <sup>2</sup>	12.0%	11.8%	10.2%
<b>Investment activity:</b>			
New investment commitments	\$ 87,500	\$ 251,000	\$ 97,000
New funded investment activity <sup>3</sup>	\$ 117,100	\$ 243,300	\$ 84,500
Proceeds from prepayments, exits, other paydowns and sales	\$ 364,400	\$ 261,000	\$ 146,100
Net new investments <sup>4</sup>	\$ (247,300)	\$ (17,700)	\$ (61,600)
Number of new investment commitments in new portfolio companies	3	6	6
Number of new investment commitments in existing portfolio companies	3	4	5
Number of portfolio company exits	16	16	8

<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 September 30, 2023, the fair value of the investment portfolio was \$2.9 billion and was composed of investments in 143 companies. These included debt investments in 129 companies, equity investments in 42 companies, and the Company's joint venture investments in SLF JV I LLC ("SLF JV I") and OCSI Glick JV LLC ("Glick JV"). 30 of the equity investments were in companies in which the Company also had a debt investment.

As of September 30, 2023, 94.0% of the Company's portfolio at fair value consisted of debt investments, including 76.4% of first lien loans, 10.1% of second lien loans and 7.5% of unsecured debt investments, including the debt investments in SLF JV I and Glick JV. This compared to 76.5% of first lien loans, 12.0% of second lien loans and 6.8% of unsecured debt investments, including the debt investments in SLF JV I and Glick JV, as of June 30, 2023.

As of September 30, 2023, there were four investments on non-accrual status, which represented 2.4% and 1.8% of the debt portfolio at cost and fair value, respectively. This is down from five investments on non-accrual status in the prior quarter, which represented 3.6% and 3.1% of the debt portfolio at cost and fair value, respectively.



The Company's investments in SLF JV I totaled \$141.5 million at fair value as of September 30, 2023, up 1% from \$140.6 million as of June 30, 2023. The increase was primarily driven by SLF JV I's use of leverage and unrealized appreciation in the underlying investment portfolio.

As of September 30, 2023, SLF JV I had \$376.1 million in assets, including senior secured loans to 48 portfolio companies. This compared to \$370.2 million in assets, including senior secured loans to 52 portfolio companies, as of June 30, 2023. As of September 30, 2023, no investments held by SLF JV I were on non-accrual status. SLF JV I generated cash interest income of \$3.5 million for the Company during the quarter ended September 30, 2023, up from \$3.4 million in the prior quarter. In addition, SLF JV I generated dividend income of \$1.1 million for the Company during the quarter ended September 30, 2023, flat as compared to the prior quarter. As of September 30, 2023, SLF JV I had \$121.0 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 1.2x.

#### *Glick JV*

The Company's investments in Glick JV totaled \$50.0 million at fair value as of September 30, 2023, up 1% from \$49.6 million as of June 30, 2023. The increase was primarily driven by Glick JV I's use of leverage and unrealized appreciation in the underlying investment portfolio.

As of September 30, 2023, Glick JV had \$141.2 million in assets, including senior secured loans to 38 portfolio companies. This compared to \$126.8 million in assets, including senior secured loans to 37 portfolio companies, as of June 30, 2023. As of September 30, 2023, no investments held by Glick JV were on non-accrual status. Glick JV generated cash interest income of \$1.5 million during the quarter ended September 30, 2023, up as compared to \$1.4 million in the prior quarter. As of September 30, 2023, Glick JV had \$27.0 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 1.2x.

#### **Liquidity and Capital Resources**

As of September 30, 2023, the Company had total principal value of debt outstanding of \$1,660.0 million, including \$710.0 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 September 30, 2023. The Company was in compliance with all financial covenants under its credit facilities as of September 30, 2023.

On August 15, 2023, the Company issued \$300.0 million in aggregate principal amount of the 2029 Notes for net proceeds of \$292.9 million after deducting OID of \$3.5 million, underwriting commissions and discounts of \$3.0 million and offering costs of \$0.6 million. Interest on the 2029 Notes is paid semi-annually on February 15 and August 15 at a rate of 7.100% per annum. In connection with the issuance of the 2029 Notes, 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 3.1255% on a notional amount of \$300 million.

As of September 30, 2023, the Company had \$136.5 million of unrestricted cash and cash equivalents and \$907.5 million of undrawn capacity on its credit facilities (subject to borrowing base and other limitations). As of September 30, 2023, unfunded investment commitments were \$232.7 million, or \$205.6 million excluding unfunded commitments to the Company's joint ventures. Of the \$205.6 million, approximately \$154.2 million could be drawn immediately with the remaining amount subject to certain milestones that must be met by portfolio companies. The Company has analyzed cash and cash equivalents, availability under its credit facilities, the ability to rotate out of certain assets and amounts of unfunded commitments that could be drawn and believes its liquidity and capital resources are sufficient to take advantage of market opportunities in the current economic climate.

As of September 30, 2023, the weighted average interest rate on debt outstanding, including the effect of the interest rate swap agreement, was 7.0%, up from 6.6% as of June 30, 2023, primarily driven by the impact of higher interest rates on the Company's floating rate liabilities and the issuance of the 2029 Notes.

The Company's total debt to equity ratio was 1.10x and 1.18x as of September 30, 2023 and June 30, 2023, respectively. The Company's net debt to equity ratio was 1.01x and 1.14x as of September 30, 2023 and June 30, 2023, 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 and year ended September 30, 2023, 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 year ended September 30, 2023, 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						For the year ended			
	September 30, 2023 (unaudited)		June 30, 2023 (unaudited)		September 30, 2022 (unaudited)		September 30, 2023		September 30, 2022	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
(\$ in thousands, except per share data)										
GAAP total investment income	\$ 101,905	\$ 1.32	\$ 101,900	\$ 1.32	\$ 70,144	\$ 1.15	\$ 379,286	\$ 5.26	\$ 262,520	\$ 4.32
Less: Interest income accretion related to merger accounting adjustments	252	—	(842)	(0.01)	(2,173)	(0.04)	(2,897)	(0.04)	(11,217)	(0.18)
Adjusted total investment income	\$ 102,157	\$ 1.32	\$ 101,058	\$ 1.31	\$ 67,971	\$ 1.11	\$ 376,389	\$ 5.22	\$ 251,303	\$ 4.14

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

	For the three months ended						For the year ended			
	September 30, 2023 (unaudited)		June 30, 2023 (unaudited)		September 30, 2022 (unaudited)		September 30, 2023		September 30, 2022	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
(\$ in thousands, except per share data)										
GAAP net investment income	\$ 47,498	\$ 0.62	\$ 48,413	\$ 0.63	\$ 35,858	\$ 0.59	\$ 180,697	\$ 2.51	\$ 148,621	\$ 2.45
Less: Interest income accretion related to merger accounting adjustments	252	—	(842)	(0.01)	(2,173)	(0.04)	(2,897)	(0.04)	(11,217)	(0.18)
Add: Part II incentive fee	—	—	—	—	—	—	—	—	(8,791)	(0.14)
Adjusted net investment income	\$ 47,750	\$ 0.62	\$ 47,571	\$ 0.62	\$ 33,685	\$ 0.55	\$ 177,800	\$ 2.47	\$ 128,613	\$ 2.12

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

	For the three months ended						For the year ended			
	September 30, 2023 (unaudited)		June 30, 2023 (unaudited)		September 30, 2022 (unaudited)		September 30, 2023		September 30, 2022	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
(\$ in thousands, except per share data)										
GAAP net realized and unrealized gains (losses), net of taxes	\$ (1,546)	\$ (0.02)	\$ (11,728)	\$ (0.15)	\$ (22,650)	\$ (0.37)	\$ (63,366)	\$ (0.88)	\$ (119,398)	\$ (1.97)
Less: Net realized and unrealized losses (gains) related to merger accounting adjustments	(122)	—	612	0.01	2,173	0.04	23,191	0.32	11,215	0.18
Adjusted net realized and unrealized gains (losses), net of taxes	\$ (1,668)	\$ (0.02)	\$ (11,116)	\$ (0.14)	\$ (20,477)	\$ (0.34)	\$ (40,175)	\$ (0.56)	\$ (108,183)	\$ (1.78)

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

	For the three months ended						For the year ended			
	September 30, 2023 (unaudited)		June 30, 2023 (unaudited)		September 30, 2022 (unaudited)		September 30, 2023		September 30, 2022	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
(\$ in thousands, except per share data)										
Net increase (decrease) in net assets resulting from operations	\$ 45,952	\$ 0.60	\$ 36,685	\$ 0.48	\$ 13,208	\$ 0.22	\$ 117,331	\$ 1.63	\$ 29,223	\$ 0.48
Less: Interest income accretion related to merger accounting adjustments	252	—	(842)	(0.01)	(2,173)	(0.04)	(2,897)	(0.04)	(11,217)	(0.18)
Less: Net realized and unrealized losses (gains) related to merger accounting adjustments	(122)	—	612	0.01	2,173	0.04	23,191	0.32	11,215	0.18
Adjusted earnings (loss)	\$ 46,082	\$ 0.60	\$ 36,455	\$ 0.47	\$ 13,208	\$ 0.22	\$ 137,625	\$ 1.91	\$ 29,221	\$ 0.48

## Conference Call Information

Oaktree Specialty Lending will host a conference call to discuss its fourth fiscal quarter and full year 2023 results at 11:00 a.m. Eastern Time / 8:00 a.m. Pacific Time on November 14, 2023. 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 4395893, 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 rising 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)

	September 30, 2023	June 30, 2023 (unaudited)	September 30, 2022
<b>ASSETS</b>			
<b>Investments at fair value:</b>			
Control investments (cost September 30, 2023: \$345,245; cost June 30, 2023: \$285,236; cost September 30, 2022: \$260,305)	\$ 297,091	\$ 238,196	\$ 214,165
Affiliate investments (cost September 30, 2023: \$24,898; cost June 30, 2023: \$25,370; cost September 30, 2022: \$27,353)	23,349	23,911	26,196
Non-control/Non-affiliate investments (cost September 30, 2023: \$2,673,976; cost June 30, 2023: \$2,985,679; cost September 30, 2022: \$2,330,096)	2,571,980	2,873,512	2,253,750
<b>Total investments at fair value (cost September 30, 2023: \$3,044,119; cost June 30, 2023: \$3,296,285; cost September 30, 2022: \$2,617,754)</b>	<b>2,892,420</b>	<b>3,135,619</b>	<b>2,494,111</b>
Cash and cash equivalents	136,450	59,704	23,528
Restricted cash	9,089	12,956	2,836
Interest, dividends and fees receivable	44,570	29,457	35,598
Due from portfolio companies	6,317	2,080	22,495
Receivables from unsettled transactions	55,441	39,261	4,692
Due from broker	54,260	39,990	45,530
Deferred financing costs	12,541	13,284	7,350
Deferred offering costs	160	186	32
Deferred tax asset, net	—	2,695	1,687
Derivative assets at fair value	4,910	49	6,789
Other assets	1,681	693	1,665
<b>Total assets</b>	<b>\$ 3,217,839</b>	<b>\$ 3,335,974</b>	<b>\$ 2,646,313</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Liabilities:</b>			
Accounts payable, accrued expenses and other liabilities	\$ 2,950	\$ 3,412	\$ 3,701
Base management fee and incentive fee payable	19,547	20,072	15,940
Due to affiliate	4,310	7,724	3,180
Interest payable	16,007	12,907	7,936
Payables from unsettled transactions	11,006	2,785	26,981
Derivative liability at fair value	47,519	39,567	41,969
Deferred tax liability	5	—	—
Credit facilities payable	710,000	1,135,000	700,000
Unsecured notes payable (net of \$7,076, \$3,909 and \$5,020 of unamortized financing costs as of September 30, 2023, June 30, 2023 and September 30, 2022, respectively)	890,731	605,066	601,043
<b>Total liabilities</b>	<b>1,702,075</b>	<b>1,826,533</b>	<b>1,400,750</b>
<b>Commitments and contingencies</b>			
<b>Net assets:</b>			
Common stock, \$0.01 par value per share, 250,000 shares authorized; 77,225, 77,080 and 61,125 shares issued and outstanding as of September 30, 2023, June 30, 2023 and September 30, 2022, respectively	772	771	611
Additional paid-in-capital	2,166,330	2,163,528	1,827,721
Accumulated overdistributed earnings	(651,338)	(654,858)	(582,769)
<b>Total net assets (equivalent to \$19.63, \$19.58 and \$20.38 per common share as of September 30, 2023, June 30, 2023 and September 30, 2022, respectively)</b>	<b>1,515,764</b>	<b>1,509,441</b>	<b>1,245,563</b>
<b>Total liabilities and net assets</b>	<b>\$ 3,217,839</b>	<b>\$ 3,335,974</b>	<b>\$ 2,646,313</b>

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

	Three months ended September 30, 2023 (unaudited)	Three months ended June 30, 2023 (unaudited)	Three months ended September 30, 2022 (unaudited)	Year ended September 30, 2023	Year ended September 30, 2022
<b>Interest income:</b>					
Control investments	\$ 5,877	\$ 5,568	\$ 3,829	\$ 21,203	\$ 14,043
Affiliate investments	650	681	574	2,620	1,744
Non-control/Non-affiliate investments	86,346	88,069	57,021	320,862	212,677
Interest on cash and cash equivalents	1,859	992	295	4,080	452
<b>Total interest income</b>	<b>94,732</b>	<b>95,310</b>	<b>61,719</b>	<b>348,765</b>	<b>228,916</b>
<b>PIK interest income:</b>					
Control investments	309	—	—	309	—
Non-control/Non-affiliate investments	5,235	3,967	6,011	19,455	20,526
<b>Total PIK interest income</b>	<b>5,544</b>	<b>3,967</b>	<b>6,011</b>	<b>19,764</b>	<b>20,526</b>
<b>Fee income:</b>					
Control investments	13	13	12	51	50
Affiliate investments	5	5	5	20	20
Non-control/Non-affiliate investments	554	1,555	1,522	6,475	6,561
<b>Total fee income</b>	<b>572</b>	<b>1,573</b>	<b>1,539</b>	<b>6,546</b>	<b>6,631</b>
<b>Dividend income:</b>					
Control investments	1,050	1,050	875	4,200	6,366
Non-control/Non-affiliate investments	7	—	—	11	81
<b>Total dividend income</b>	<b>1,057</b>	<b>1,050</b>	<b>875</b>	<b>4,211</b>	<b>6,447</b>
<b>Total investment income</b>	<b>101,905</b>	<b>101,900</b>	<b>70,144</b>	<b>379,286</b>	<b>262,520</b>
<b>Expenses:</b>					
Base management fee	11,516	11,983	9,703	44,899	39,556
Part I incentive fee	9,531	9,590	6,986	35,831	26,644
Part II incentive fee	—	—	—	—	(8,791)
Professional fees	1,282	1,387	1,389	6,244	4,418
Directors fees	160	160	160	640	603
Interest expense	32,326	30,793	15,751	111,642	46,929
Administrator expense	317	322	278	1,252	1,246
General and administrative expenses	775	752	769	3,528	2,986
<b>Total expenses</b>	<b>55,907</b>	<b>54,987</b>	<b>35,036</b>	<b>204,036</b>	<b>113,591</b>
Fees waived	(1,500)	(1,500)	(750)	(5,525)	(3,000)
<b>Net expenses</b>	<b>54,407</b>	<b>53,487</b>	<b>34,286</b>	<b>198,511</b>	<b>110,591</b>
<b>Net investment income before taxes</b>	<b>47,498</b>	<b>48,413</b>	<b>35,858</b>	<b>180,775</b>	<b>151,929</b>
(Provision) benefit for taxes on net investment income	—	—	—	—	(3,308)
Excise tax	—	—	—	(78)	—
<b>Net investment income</b>	<b>47,498</b>	<b>48,413</b>	<b>35,858</b>	<b>180,697</b>	<b>148,621</b>
<b>Unrealized appreciation (depreciation):</b>					
Control investments	(1,114)	734	(6,754)	(2,014)	(33,306)
Affiliate investments	(90)	149	33	(392)	(683)
Non-control/Non-affiliate investments	10,088	(6,497)	(16,803)	(26,208)	(107,136)
Foreign currency forward contracts	4,861	4,575	5,655	59	4,877
<b>Net unrealized appreciation (depreciation)</b>	<b>13,745</b>	<b>(1,039)</b>	<b>(17,869)</b>	<b>(28,555)</b>	<b>(136,248)</b>
<b>Realized gains (losses):</b>					
Control investments	—	—	—	—	1,868
Non-control/Non-affiliate investments	(12,986)	(4,294)	(4,303)	(27,390)	1,585
Foreign currency forward contracts	(252)	(6,309)	1,547	(5,765)	13,726
<b>Net realized gains (losses)</b>	<b>(13,238)</b>	<b>(10,603)</b>	<b>(2,756)</b>	<b>(33,155)</b>	<b>17,179</b>
(Provision) benefit for taxes on realized and unrealized gains (losses)	(2,053)	(86)	(2,025)	(1,656)	(329)
<b>Net realized and unrealized gains (losses), net of taxes</b>	<b>(1,546)</b>	<b>(11,728)</b>	<b>(22,650)</b>	<b>(63,366)</b>	<b>(119,398)</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ 45,952</b>	<b>\$ 36,685</b>	<b>\$ 13,208</b>	<b>\$ 117,331</b>	<b>\$ 29,223</b>
<b>Net investment income per common share — basic and diluted</b>	<b>\$ 0.62</b>	<b>\$ 0.63</b>	<b>\$ 0.59</b>	<b>\$ 2.51</b>	<b>\$ 2.45</b>
<b>Earnings (loss) per common share — basic and diluted</b>	<b>\$ 0.60</b>	<b>\$ 0.48</b>	<b>\$ 0.22</b>	<b>\$ 1.63</b>	<b>\$ 0.48</b>
Weighted average common shares outstanding — basic and diluted	77,130	77,080	61,125	72,119	60,727



**OAKTREE**

OCSL | Specialty Lending Corporation

FOURTH QUARTER 2023  
NOVEMBER 14, 2023

EARNINGS PRESENTATION  
NASDAQ: OCSL



# Forward Looking Statements & Legal Disclosures

Some of the statements in this presentation constitute forward-looking statements because they relate to future events or our future performance or financial condition. The forward-looking statements contained in this presentation may include statements as to: our future operating results and distribution projections; the ability of Oaktree Fund Advisors, LLC (together with its affiliates, "Oaktree") to reposition our portfolio and to implement Oaktree's future plans with respect to our business; the ability of Oaktree and its affiliates to attract and retain highly talented professionals; our business prospects and the prospects of our portfolio companies; the impact of the investments that we expect to make; the ability of our portfolio companies to achieve their objectives; our expected financings and investments and additional leverage we may seek to incur in the future; the adequacy of our cash resources and working capital; the timing of cash flows, if any, from the operations of our portfolio companies; and the cost or potential outcome of any litigation to which we may be a party. In addition, words such as "anticipate," "believe," "expect," "seek," "plan," "should," "estimate," "project" and "intend" indicate forward-looking statements, although not all forward-looking statements include these words. The forward-looking statements contained in this presentation involve risks and uncertainties. Our actual results could differ materially from those implied or expressed in the forward-looking statements for any reason, including the factors set forth in "Risk Factors" and elsewhere in our annual report on Form 10-K for the fiscal year ended September 30, 2023. Other factors that could cause actual results to differ materially include: changes in the economy, financial markets and political environment; 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) and 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 September 30, 2023.





# Highlights for the Quarter Ended September 30, 2023

<b>ADJUSTED NET INVESTMENT INCOME<sup>1</sup></b>	<ul style="list-style-type: none"><li>• \$0.62 per share, consistent with the quarter ended June 30, 2023</li><li>• GAAP net investment income was \$0.62 per share, as compared with \$0.63 in the quarter ended June 30, 2023</li></ul>
<b>NET ASSET VALUE PER SHARE</b>	<ul style="list-style-type: none"><li>• \$19.63, up slightly as compared with \$19.58 as of June 30, 2023</li><li>• The increase was primarily driven by undistributed net investment income</li></ul>
<b>DIVIDENDS</b>	<ul style="list-style-type: none"><li>• Declared a cash distribution of \$0.55 per share, which was well-covered by adjusted net investment income of \$0.62 per share</li><li>• Declared a special cash distribution of \$0.07 per share to offset undistributed taxable income earned in 2023</li><li>• Both distributions will be payable on December 29, 2023 to stockholders of record as of December 15, 2023</li></ul>
<b>INVESTMENT ACTIVITY</b>	<ul style="list-style-type: none"><li>• \$87 million of new investment commitments</li><li>• 12.0% weighted average yield on new debt investments</li><li>• \$117 million of new investment fundings</li><li>• Received \$364 million of proceeds from prepayments, exits, other paydowns and sales</li></ul>
<b>INVESTMENT PORTFOLIO</b>	<ul style="list-style-type: none"><li>• \$2.9 billion at fair value across 143 portfolio companies</li><li>• 12.7% weighted average yield on debt investments, up from 12.3% as of June 30, 2023 primarily due to higher base rates</li><li>• 86% senior secured</li><li>• 86% of debt portfolio was floating rate</li></ul>
<b>CAPITAL STRUCTURE &amp; LIQUIDITY</b>	<ul style="list-style-type: none"><li>• 1.01x net debt to equity ratio, down from 1.14x as of June 30, 2023 on elevated repayment activity vs. investment fundings</li><li>• \$136 million of cash and \$908 million of undrawn capacity on credit facilities</li><li>• Issued \$300 million of 7.100% Notes due 2029; entered into interest rate swap agreement to pay SOFR + 3.1255%</li></ul>

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.

<sup>1</sup> See page 19 for a description of this non-GAAP measure.



# Portfolio Summary

## PORTFOLIO CHARACTERISTICS

(At fair value)

<b>\$2.9bn</b> TOTAL INVESTMENTS	<b>143</b> PORTFOLIO COMPANIES
<b>12.7%</b> WEIGHTED AVERAGE YIELD ON DEBT INVESTMENTS	<b>\$109mm</b> MEDIAN DEBT PORTFOLIO COMPANY EBITDA <sup>1</sup>
<b>86%</b> SENIOR SECURED DEBT INVESTMENTS	<b>86%</b> FLOATING RATE

As of September 30, 2023

Note: Numbers may not sum due to rounding.

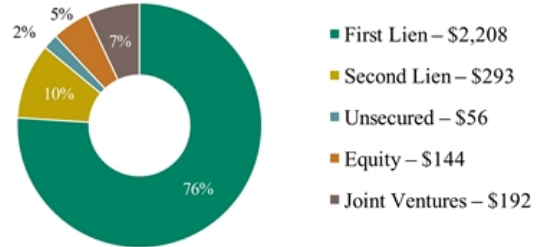
<sup>1</sup> Excludes investments in negative EBITDA borrowers, royalty interest financings, structured products and recurring revenue software businesses.

<sup>2</sup> Based on GICS sub-industry classification.

<sup>3</sup> 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 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)

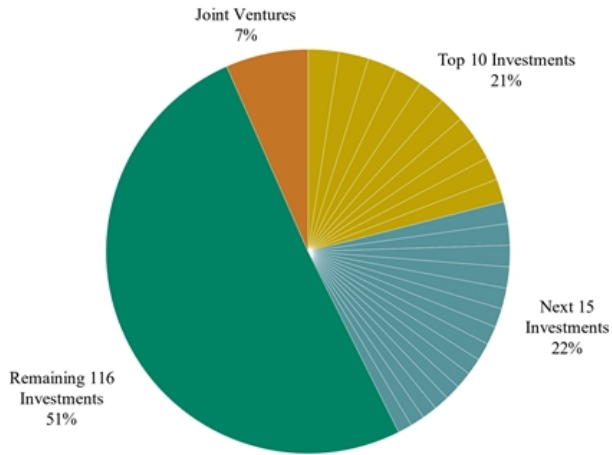




# Portfolio Diversity

## 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	16.5%
Specialty Retail	5.4
Real Estate Management & Development	5.2
Financial Services	4.5
Professional Services	4.5
Health Care Providers & Services	4.4
Biotechnology	4.3
Chemicals	3.5
Machinery	3.4
Health Care Technology	3.3
Commercial Services & Supplies	3.0
Pharmaceuticals	2.8
Remaining 29 Industries	32.6
Joint Ventures	6.6

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

As of September 30, 2023

Note: Numbers may not sum due to rounding.

<sup>1</sup> 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

	9/30/2023
Fair Value of Software Portfolio (\$ in millions)	\$477.7
Number of Portfolio Companies	25
First Lien (% of software portfolio)	85.4%
Average Portfolio Company Revenues <sup>2</sup> (\$ millions)	\$566
Average LTV <sup>3</sup>	40%

***OCSL's software investments are in large companies that serve diverse end markets***

As of September 30, 2023

<sup>1</sup> Includes Aerospace & Defense, Diversified Financial Services, Automotive Parts and Equipment, Property & Casualty Insurance, Education Services, Health Care Technology and Interactive Media & Services.

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

<sup>3</sup> 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 as of September 30, 2023.

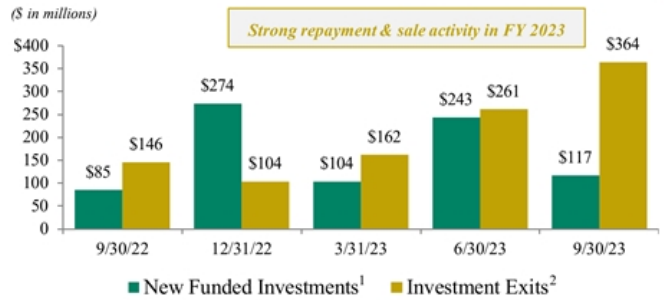


# Investment Activity

## NEW INVESTMENT HIGHLIGHTS

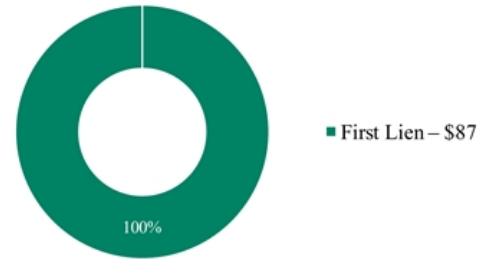
<p><b>\$87mm</b> NEW INVESTMENT COMMITMENTS</p>	<p><b>\$117mm</b> NEW INVESTMENT FUNDINGS<sup>1</sup></p>
<p><b>12.0%</b> WEIGHTED AVERAGE YIELD ON NEW DEBT COMMITMENTS</p>	<p><b>100%</b> ALSO HELD BY OTHER OAKTREE FUNDS</p>
<p><b>\$41mm</b> NEW INVESTMENT COMMITMENTS IN NEW PORTFOLIO COMPANIES</p>	<p><b>\$47mm</b> NEW INVESTMENT COMMITMENTS IN EXISTING PORTFOLIO COMPANIES</p>

## HISTORICAL FUNDED ORIGINATIONS AND EXITS



## NEW INVESTMENT COMPOSITION

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



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

<sup>1</sup> New funded investments includes drawdowns on existing delayed draw and revolver commitments.

<sup>2</sup> Investment exits includes proceeds from prepayments, exits, other paydowns and sales.



## Investment Activity (continued)

### NEW INVESTMENT COMMITMENT DETAIL

(\$ in millions)

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

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 OSI2 Merger.



# Financial Highlights

<i>(\$ and number of shares in thousands, except per share amounts)</i>	As of				
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022
GAAP Net Investment Income per Share	\$0.62	\$0.63	\$0.63	\$0.63	\$0.59
<i>Adjusted Net Investment Income per Share<sup>1</sup></i>	<i>\$0.62</i>	<i>\$0.62</i>	<i>\$0.62</i>	<i>\$0.61</i>	<i>\$0.55</i>
Net Realized and Unrealized Gains (Losses), Net of Taxes per Share	\$(0.02)	\$(0.15)	\$(0.33)	\$(0.42)	\$(0.37)
<i>Adjusted Net Realized and Unrealized Gains (Losses), Net of Taxes per Share<sup>1</sup></i>	<i>\$(0.02)</i>	<i>\$(0.14)</i>	<i>\$(0.05)</i>	<i>\$(0.39)</i>	<i>\$(0.34)</i>
Earnings (Loss) per Share	\$0.60	\$0.48	\$0.29	\$0.22	\$0.22
<i>Adjusted Earnings (Loss) per Share<sup>1</sup></i>	<i>\$0.60</i>	<i>\$0.47</i>	<i>\$0.57</i>	<i>\$0.22</i>	<i>\$0.22</i>
Quarterly Distributions per Share	\$0.55	\$0.55	\$0.55	\$0.54	\$0.51
Special Distributions per Share	--	--	--	\$0.42	--
NAV per Share	\$19.63	\$19.58	\$19.66	\$19.63	\$20.83
Weighted Average Shares Outstanding	77,130	77,080	73,203	61,142	61,125
Shares Outstanding, End of Period	77,225	77,080	77,080	61,220	61,125
Investment Portfolio (at Fair Value)	\$2,892,420	\$3,135,619	\$3,164,860	\$2,642,870	\$2,494,111
Cash and Cash Equivalents	\$136,450	\$59,704	\$43,750	\$17,382	\$23,528
Total Assets	\$3,217,839	\$3,335,974	\$3,318,507	\$2,767,260	\$2,646,313
Total Debt Outstanding <sup>2</sup>	\$1,600,731	\$1,740,066	\$1,723,840	\$1,463,624	\$1,301,043
Net Assets	\$1,515,764	\$1,509,441	\$1,515,150	\$1,201,989	\$1,245,563
Total Debt to Equity Ratio	1.10x	1.18x	1.16x	1.26x	1.08x
Net Debt to Equity Ratio	1.01x	1.14x	1.14x	1.24x	1.06x
Weighted Average Interest Rate on Debt Outstanding <sup>3</sup>	7.0%	6.6%	6.2%	5.6%	4.4%

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.

<sup>1</sup> See page 19 for a description of the non-GAAP measures.

<sup>2</sup> Net of unamortized financing costs.

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



# Portfolio Highlights

<i>(\$ in thousands, at fair value)</i>	As of				
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022
Investments at Fair Value	\$2,892,420	\$3,135,619	\$3,164,860	\$2,642,870	\$2,494,111
Number of Portfolio Companies	143	156	165	156	149
Average Portfolio Company Debt Investment Size	\$19,800	\$19,800	\$18,800	\$16,500	\$16,500
<b>Asset Class:</b>					
First Lien	76.4%	76.5%	75.0%	71.9%	71.2%
Second Lien	10.1	12.0	13.0	14.4	15.7
Unsecured Debt	1.9	1.7	1.9	2.4	2.3
Equity	5.0	3.8	4.1	4.3	4.2
Joint Venture Interests	6.6	6.0	6.0	7.0	6.7
<b>Interest Rate Type for Debt Investments:</b>					
% Floating-Rate	86.2%	86.0%	87.9%	87.3%	86.5%
% Fixed-Rate	13.8	14.0	12.1	12.7	13.5
<b>Yields:</b>					
Weighted Average Yield on Debt Investments <sup>1</sup>	12.7%	12.3%	11.9%	11.6%	10.6%
Cash Component of Weighted Average Yield on Debt Investments	11.2	11.4	10.9	10.3	9.3
Weighted Average Yield on Total Portfolio Investments <sup>2</sup>	12.0	11.8	11.5	11.2	10.2

Note: Numbers may not sum due to rounding.

<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 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 19 for a description of the non-GAAP financial measures.

<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 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 19 for a description of the non-GAAP financial measures.





## Investment Activity

<i>(\$ in thousands)</i>	As of				
	9/30/2023	6/30/2023	3/31/2023 <sup>1</sup>	12/31/2022	9/30/2022
New Investment Commitments	\$87,500	\$251,000	\$123,800	\$250,300	\$97,000
New Funded Investment Activity <sup>2</sup>	\$117,100	\$243,300	\$103,600	\$274,400	\$84,500
Proceeds from Prepayments, Exits, Other Paydowns and Sales	\$364,400	\$261,000	\$162,100	\$104,400	\$146,100
Net New Investments <sup>3</sup>	\$(247,300)	\$(17,700)	\$(58,500)	\$170,000	\$(61,600)
New Investment Commitments in New Portfolio Companies	3	6	6	18	6
New Investment Commitments in Existing Portfolio Companies	3	4	3	7	5
Portfolio Company Exits	16	16	5	11	8
Weighted Average Yield at Cost on New Debt Investment Commitments	12.0%	12.6%	11.9%	13.1%	9.9%

<sup>1</sup> Excludes the assets acquired in the OSI2 Merger.

<sup>2</sup> New funded investment activity includes drawdowns on existing revolver commitments.

<sup>3</sup> 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 19 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.

<sup>1</sup> 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>

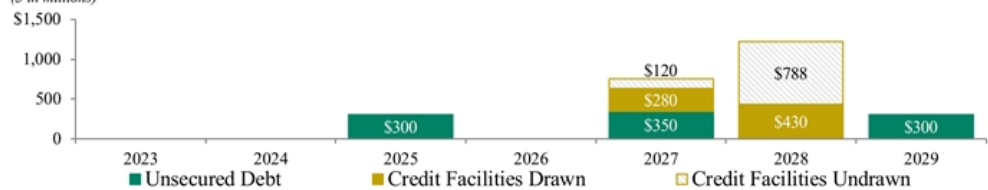
## FUNDING SOURCES

(\$ in millions)

	Committed	Principal Outstanding	Interest Rate	Maturity
Syndicated Credit Facility	\$1,218	\$430	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	--	(136)	--	--
<b>Total</b>	<b>\$2,568</b>	<b>\$1,524</b>		
<b>Weighted Average Interest Rate</b>		<b>7.0%</b>		
<b>Net Debt to Equity Ratio</b>		<b>1.01x</b>		

## MATURITIES

(\$ in millions)



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

As of September 30, 2023

Note: Numbers may not sum due to rounding.

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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.

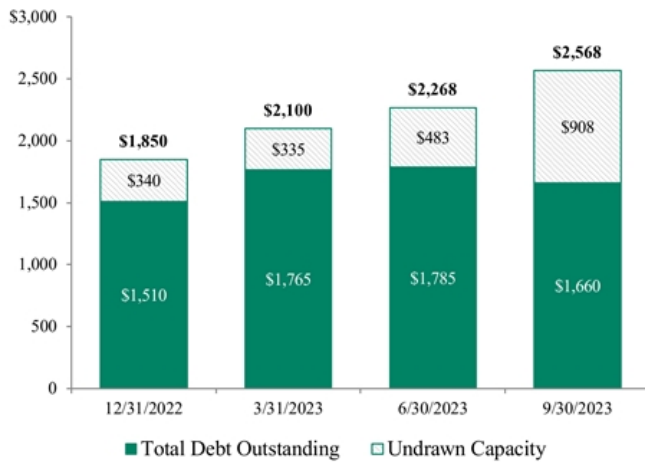
<sup>4</sup> Liquidity was composed of \$136.5 million of unrestricted cash and cash equivalents and \$907.5 million of undrawn capacity under the credit facilities (subject to borrowing base and other limitations).



# Funding and Liquidity Metrics

## LEVERAGE UTILIZATION

(\$ in millions)



	12/31/2022	3/31/2023	6/30/2023	9/30/2023
Cash	\$17	\$44	\$60	\$136
Net Assets	\$1,202	\$1,515	\$1,509	\$1,516
Total Leverage	1.26x	1.16x	1.18x	1.10x
Net Leverage	1.24x	1.14x	1.14x	1.01x

<sup>1</sup> Excludes unfunded commitments to the Kemper JV and Glick JV.

<sup>2</sup> Includes unfunded commitments ineligible to be drawn due to certain limitations in credit agreements.

<sup>3</sup> As of September 30, 2023, we have analyzed cash and cash equivalents, availability under our credit facilities, the ability to rotate out of certain assets and amounts of unfunded commitments that could be drawn and believe our liquidity and capital resources are sufficient to take advantage of market opportunities in the current economic climate.

## LIQUIDITY OVERVIEW

(\$ in millions)

	12/31/2022	3/31/2023	6/30/2023	9/30/2023
Credit Facilities Committed	\$1,200	\$1,450	\$1,618	\$1,618
Credit Facilities Drawn	(860)	(1,115)	(1,135)	(710)
Cash and Cash Equivalents	17	44	60	136
<b>Total Liquidity</b>	<b>357</b>	<b>379</b>	<b>542</b>	<b>1,044</b>
Total Unfunded Commitments <sup>1</sup>	(172)	(237)	(247)	(206)
Unavailable Unfunded Commitments <sup>2</sup>	42	53	62	51
<b>Adjusted Liquidity</b>	<b>\$227</b>	<b>\$195</b>	<b>\$357</b>	<b>\$890</b>

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



# 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>4.9%</b> % OF OCSL'S PORTFOLIO
<b>\$5.4mm</b> NET INVESTMENT INCOME <sup>1</sup>	<b>15.2%</b> RETURN ON OCSL'S INVESTMENT (ANNUALIZED) <sup>3</sup>

**GLICK JV CHARACTERISTICS***(At fair value)*

<b>\$50mm</b> OCSL'S INVESTMENTS IN THE GLICK JV	<b>1.7%</b> % OF OCSL'S PORTFOLIO
<b>\$2.0mm</b> NET INVESTMENT INCOME <sup>2</sup>	<b>16.3%</b> RETURN ON OCSL'S INVESTMENT (ANNUALIZED) <sup>3</sup>

**COMBINED PORTFOLIO SUMMARY**

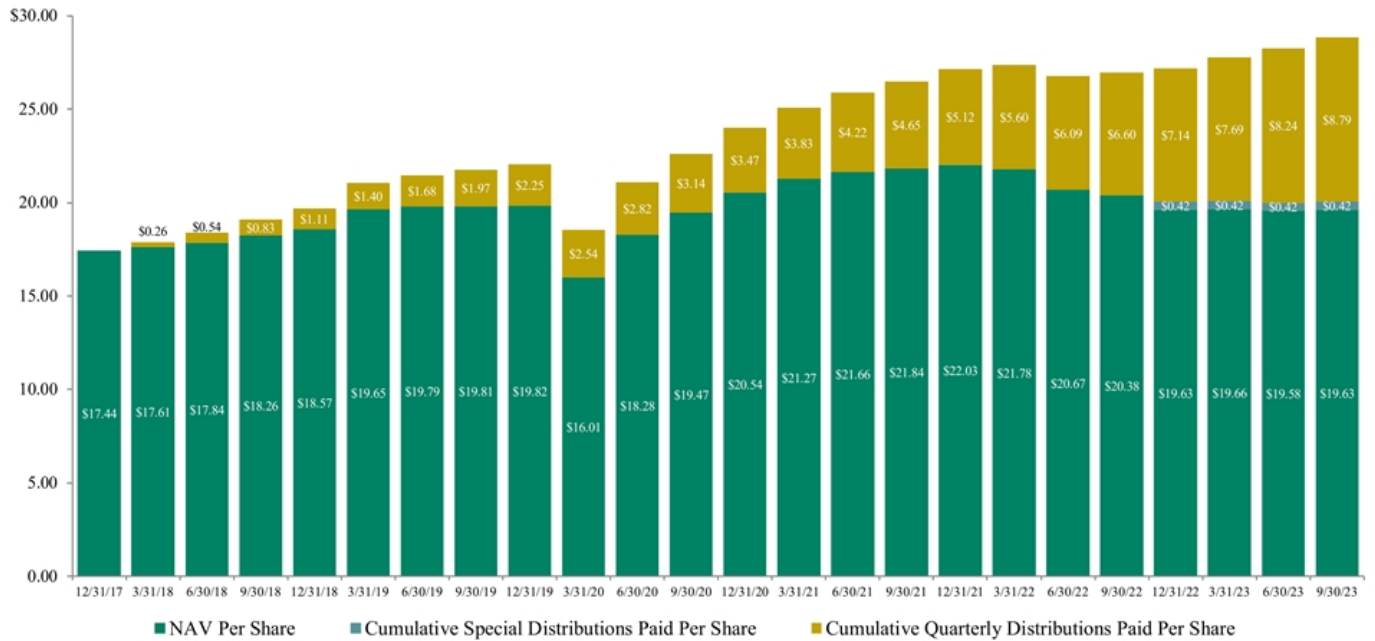
INVESTMENT PORTFOLIO	FIRST LIEN	PORTFOLIO COMPANY COUNT	WTD. AVG. DEBT PORTFOLIO YIELD	LEVERAGE RATIO
<b>\$446mm</b>	<b>96%</b>	<b>50</b>	<b>11.2%</b>	<b>1.2x</b>

*As of September 30, 2023*<sup>1</sup> Represents OCSL's 87.5% share of the Kemper JV's net investment income (excluding subordinated note interest expense and deferred financing costs) earned during the quarter ended September 30, 2023.<sup>2</sup> Represents OCSL's 87.5% share of the Glick JV's net investment income (excluding subordinated note interest expense and deferred financing costs) earned during the quarter ended September 30, 2023.<sup>3</sup> 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, 2023.



# Compelling Performance Under Oaktree Management

## NAV AND CUMULATIVE DISTRIBUTIONS PAID PER SHARE<sup>1</sup>



**OCSL has generated a 10.6% 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.

<sup>1</sup> Cumulative distributions declared and paid from December 31, 2017 through September 30, 2023.

<sup>2</sup> Annualized return on equity calculated as the change in net asset value plus distributions paid from December 31, 2017 through September 30, 2023. Assumes dividends reinvested at NAV.

# Appendix



**OAKTREE**  
OCSL | Specialty Lending Corporation



# Quarterly Statement of Operations

(\$ in thousands)	For the three months ended				
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022
<b>INVESTMENT INCOME</b>					
Interest income	\$94,732	\$95,310	\$88,745	\$69,978	\$61,719
PIK interest income	5,544	3,967	4,123	6,130	6,011
Fee income	572	1,573	2,380	2,021	1,539
Dividend income	1,057	1,050	1,054	1,050	875
<b>GAAP total investment income</b>	<b>101,905</b>	<b>101,900</b>	<b>96,302</b>	<b>79,179</b>	<b>70,144</b>
Less: Interest income accretion related to merger accounting adjustments	252	(842)	(561)	(1,746)	(2,173)
<b>Adjusted total investment income</b>	<b>102,157</b>	<b>101,058</b>	<b>95,741</b>	<b>77,433</b>	<b>67,971</b>
<b>EXPENSES</b>					
Base management fee	11,516	11,983	11,483	9,917	9,703
Part I incentive fee	9,531	9,590	9,007	7,703	6,986
Part II incentive fee	--	--	--	--	--
Interest expense	32,326	30,793	27,804	20,719	15,751
Other operating expenses <sup>1</sup>	2,534	2,621	3,805	2,704	2,596
<b>Total expenses</b>	<b>55,907</b>	<b>54,987</b>	<b>52,099</b>	<b>41,043</b>	<b>35,036</b>
Fees waived	(1,500)	(1,500)	(1,775)	(750)	(750)
<b>Net expenses</b>	<b>54,407</b>	<b>53,487</b>	<b>50,324</b>	<b>40,293</b>	<b>34,286</b>
(Provision) benefit for taxes on net investment income	--	--	--	--	--
Excise tax	--	--	--	(78)	--
<b>GAAP net investment income</b>	<b>47,498</b>	<b>48,413</b>	<b>45,978</b>	<b>38,808</b>	<b>35,858</b>
Less: Interest income accretion related to merger accounting adjustments	252	(842)	(561)	(1,746)	(2,173)
Add: Part II incentive fee	--	--	--	--	--
<b>Adjusted net investment income</b>	<b>\$47,750</b>	<b>\$47,571</b>	<b>\$45,417</b>	<b>\$37,062</b>	<b>\$33,685</b>

Note: See page 19 for a description of the non-GAAP measures.

<sup>1</sup> Includes professional fees, directors fees, administrator expense and general and administrative expenses.





## Quarterly Statement of Operations (continued)

(\$ in thousands, except per share amounts)	For the three months ended				
	9/30/2023	6/30/2023	3/31/2023	12/31/2022	9/30/2022
<b>NET REALIZED AND UNREALIZED GAINS (LOSSES)</b>					
Net unrealized appreciation (depreciation)	\$13,745	\$(1,039)	\$(18,279)	\$(22,982)	\$(17,869)
Net realized gains (losses)	(13,238)	(10,603)	(6,111)	(3,203)	(2,756)
(Provision) benefit for taxes on realized and unrealized gains (losses)	(2,053)	(86)	(66)	549	(2,025)
<b>GAAP net realized and unrealized gains (losses), net of taxes</b>	<b>\$(1,546)</b>	<b>\$(11,728)</b>	<b>\$(24,456)</b>	<b>\$(25,636)</b>	<b>\$(22,650)</b>
Less: Net realized and unrealized losses (gains) related to merger accounting adjustments	(122)	612	20,955	1,746	2,173
<b>Adjusted net realized and unrealized gains (losses), net of taxes</b>	<b>\$(1,668)</b>	<b>\$(11,116)</b>	<b>\$(3,501)</b>	<b>\$(23,890)</b>	<b>\$(20,477)</b>
<b>GAAP net increase (decrease) in net assets resulting from operations</b>	<b>\$45,952</b>	<b>\$36,685</b>	<b>\$21,522</b>	<b>\$13,172</b>	<b>\$13,208</b>
Less: Interest income accretion related to merger accounting adjustments	252	(842)	(561)	(1,746)	(2,173)
Less: Net realized and unrealized losses (gains) related to merger accounting adjustments	(122)	612	20,955	1,746	2,173
<b>Adjusted earnings (loss)</b>	<b>\$46,082</b>	<b>\$36,455</b>	<b>\$41,916</b>	<b>\$13,172</b>	<b>\$13,208</b>
<b>PER SHARE DATA:</b>					
GAAP total investment income	\$1.32	\$1.32	\$1.32	\$1.30	\$1.15
Adjusted total investment income	1.32	1.31	1.31	1.27	1.11
GAAP net investment income	0.62	0.63	0.63	0.63	0.59
Adjusted net investment income	0.62	0.62	0.62	0.61	0.55
GAAP net realized and unrealized gains (losses), net of taxes	(0.02)	(0.15)	(0.33)	(0.42)	(0.37)
Adjusted net realized and unrealized gains (losses), net of taxes	(0.02)	(0.14)	(0.05)	(0.39)	(0.34)
GAAP net increase/decrease in net assets resulting from operations	0.60	0.48	0.29	0.22	0.22
Adjusted earnings (loss)	0.60	0.47	0.57	0.22	0.22
Weighted average common shares outstanding	77,130	77,080	73,203	61,142	61,125
Shares outstanding, end of period	77,225	77,080	77,080	61,220	61,125

Note: See page 19 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 Oaktree Strategic Income Corporation ("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).



# OAKTREE

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