Oaktree Specialty Lending Corporation Announces Second Fiscal Quarter 2025 Financial Results

LOS ANGELES, CA, May 1, 2025 - Oaktree Specialty Lending Corporation (NASDAQ: OCSL) (“Oaktree Specialty Lending” or the “Company”), a specialty finance company, today announced its financial results for the fiscal quarter ended March 31, 2025.

Financial Highlights for the Quarter Ended March 31, 2025

- **Total investment income** was $77.6 million ($0.90 per share) for the second fiscal quarter of 2025, as compared with $86.6 million ($1.05 per share) for the first fiscal quarter of 2025. Adjusted total investment income was $77.2 million ($0.90 per share) for the second fiscal quarter of 2025, as compared with $87.1 million ($1.06 per share) for the first fiscal quarter of 2025. The decrease was driven by lower interest income, which was primarily attributable to a smaller average investment portfolio, the impact of certain investments that were placed on non-accrual status and decreases in reference rates.
- **GAAP net investment income** was $39.1 million ($0.45 per share) for the second fiscal quarter of 2025, as compared with $44.3 million ($0.54 per share) for the first fiscal quarter of 2025. The decrease for the quarter was primarily driven by lower total investment income, partially offset by lower interest expense and income-based ("Part I") incentive fees (net of fees waived).
- **Adjusted net investment income** was $38.7 million ($0.45 per share) for the second fiscal quarter of 2025, as compared with $44.7 million ($0.54 per share) for the first fiscal quarter of 2025. The decrease for the quarter was primarily driven by lower adjusted total investment income, partially offset by lower interest expense and lower Part I incentive fees (net of fees waived).
- **Net asset value ("NAV") per share** was $16.75 as of March 31, 2025, down as compared with $17.63 as of December 31, 2024. The decline from December 31, 2024 primarily reflected losses on certain debt and equity investments.
- **Originated** $407.0 million of new investment commitments and received $279.4 million of proceeds from prepayments, exits, other paydowns and sales during the quarter ended March 31, 2025. The weighted average yield on new debt investments was 9.5%.
- **Total debt outstanding** was $1,470.0 million as of March 31, 2025. The total debt to equity ratio was 1.00x, and the net debt to equity ratio was 0.93x, after adjusting for cash and cash equivalents.
- **Oaktree Capital I, L.P. purchased $100.0 million of shares** of OCSL common stock on February 3, 2025 at the Company’s net asset value as of January 31, 2025, which was $17.63 per share and represented a 10% premium to the closing stock price.
- **The Company issued $300 million of unsecured notes** during the quarter ended March 31, 2025 that mature on February 27, 2030 and bear interest at a rate of 6.340%. In connection with the issuance of the 2030 Notes, the Company entered into an interest rate swap agreement under which the Company receives a fixed interest rate of 6.340% and pays a floating interest rate of the three-month SOFR plus 2.192% on a notional amount of $300.0 million. Additionally, the Company repaid $300 million of unsecured notes that matured on February 25, 2025.
- **Liquidity** as of March 31, 2025 was composed of $97.8 million of unrestricted cash and cash equivalents and over $1.0 billion of undrawn capacity under the Company's credit facilities (subject to borrowing base and other limitations). Unfunded investment commitments were $299.8 million, or $272.6 million excluding unfunded commitments to the Company's joint ventures. Of the $272.6 million, approximately $252.0 million can be drawn immediately with the remaining amount subject to certain milestones that must be met by portfolio companies or other restrictions.
- **A quarterly and supplemental cash distribution was declared** of $0.40 per share and $0.02 per share, respectively, payable in cash on June 30, 2025 to stockholders of record on June 16, 2025.

"Certain challenged portfolio company investments weighed on our results in the second quarter. We are focused on resolving these issues while also positioning our portfolio to deliver more consistent performance going forward," stated Armen Panossian, Chief Executive Officer and Co-Chief Investment Officer.

"We are focused on further diversifying our portfolio by selectively investing in companies we believe are well positioned to deliver attractive returns given overall market uncertainty caused by tariffs, inflation and high interest rates. Historically, in periods of market volatility, our firm-wide DNA has enabled us to capitalize on opportunities while others are sidelined, and we have ample dry powder for new investments."

Distribution Declaration

The Board of Directors declared a quarterly distribution of $0.40 per share, payable in cash on June 30, 2025 to stockholders of record on June 16, 2025. The Board of Directors also declared a supplemental distribution of $0.02 per share, payable in cash on June 30, 2025 to stockholders of record on June 16, 2025.

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 March 31, 2025 (unaudited)	December 31, 2024 (unaudited)	March 31, 2024 (unaudited)
GAAP operating results:			
Interest income	$ 70,523	$ 78,422	$ 85,256
PIK interest income	4,531	5,728	4,816
Fee income	1,742	1,679	2,546
Dividend income	772	818	1,411
Total investment income	**77,568**	**86,647**	**94,029**
Net expenses	38,235	42,082	52,662
Net investment income before taxes	**39,333**	**44,565**	**41,367**
(Provision) benefit for taxes on net investment income	(278)	(263)	—
Net investment income	**39,055**	**44,302**	**41,367**
Net realized and unrealized gains (losses), net of taxes	(75,304)	(37,063)	(32,030)
Net increase (decrease) in net assets resulting from operations	**$ (36,249)**	**$ 7,239**	**$ 9,337**
Total investment income per common share	**$ 0.90**	**$ 1.05**	**$ 1.18**
Net investment income per common share	**$ 0.45**	**$ 0.54**	**$ 0.52**
Net realized and unrealized gains (losses), net of taxes per common share	**$ (0.88)**	**$ (0.45)**	**$ (0.40)**
Earnings (loss) per common share — basic and diluted	**$ (0.42)**	**$ 0.09**	**$ 0.12**
Non-GAAP Financial Measures[1]:			
Adjusted total investment income	**$ 77,195**	**$ 87,070**	**$ 97,340**
Adjusted net investment income	**$ 38,682**	**$ 44,725**	**$ 44,678**
Adjusted net realized and unrealized gains (losses), net of taxes	**$ (75,248)**	**$ (37,124)**	**$ (35,344)**
Adjusted earnings (loss)	**$ (36,566)**	**$ 7,601**	**$ 9,334**
Adjusted total investment income per share	**$ 0.90**	**$ 1.06**	**$ 1.22**
Adjusted net investment income per share	**$ 0.45**	**$ 0.54**	**$ 0.56**
Adjusted net realized and unrealized gains (losses), net of taxes per share	**$ (0.88)**	**$ (0.45)**	**$ (0.44)**
Adjusted earnings (loss) per share	**$ (0.43)**	**$ 0.09**	**$ 0.12**

[1] See *Non-GAAP Financial Measures* below for a description of the non-GAAP measures and the reconciliations from the most comparable GAAP financial measures to the Company's non-GAAP measures, including on a per share basis. The Company's management uses these non-GAAP financial measures internally to analyze and evaluate financial results and performance and believes that these non-GAAP financial measures are useful to investors as an additional tool to evaluate ongoing results and trends for the Company and to review the Company's performance without giving effect to non-cash income/gain/loss resulting from the merger of Oaktree Strategic Income Corporation ("OCSI") with and into the Company in March 2021 (the "OCSI Merger") and the merger of Oaktree Strategic Income II, Inc. ("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.

($ in thousands, except per share data and ratios)	As of March 31, 2025 (unaudited)	December 31, 2024 (unaudited)	March 31, 2024 (unaudited)
Select balance sheet and other data:			
Cash and cash equivalents	$ 97,838	$ 112,913	$ 125,031
Investment portfolio at fair value	2,892,771	2,835,294	3,047,445
Total debt outstanding (net of unamortized financing costs)	1,448,486	1,577,795	1,635,642
Net assets	1,475,113	1,449,815	1,524,099
Net asset value per share	16.75	17.63	18.72
Total debt to equity ratio	1.00x	1.11x	1.10x
Net debt to equity ratio	0.93x	1.03x	1.02x

Adjusted total investment income for the quarter ended March 31, 2025 was $77.2 million and included $70.2 million of interest income from portfolio investments, $4.5 million of payment-in-kind ("PIK") interest income, $1.7 million of fee income and $0.8 million of dividend income. The $9.9 million quarterly decline in adjusted total investment income was primarily due to a $9.9 million decrease in interest income, which was primarily attributable to a smaller average investment portfolio, the impact of certain investments that were placed on non-accrual status and decreases in reference rates.

Net expenses for the quarter ended March 31, 2025 totaled $38.2 million, down $3.8 million from the quarter ended December 31, 2024. The decrease for the quarter was primarily driven by $2.4 million of lower interest expense due to lower outstanding borrowings and lower reference rates on the Company's floating rate debt and $1.5 million of lower Part I incentive fees (net of fees waived).

Adjusted net investment income was $38.7 million ($0.45 per share) for the quarter ended March 31, 2025, which was down from $44.7 million ($0.54 per share) for the quarter ended December 31, 2024. The decline of $6.0 million primarily reflected $9.9 million of lower adjusted total investment income, offset by $3.9 million of lower net expenses.

Adjusted net realized and unrealized losses, net of taxes, were $75.2 million for the quarter ended March 31, 2025.

Portfolio and Investment Activity

	As of		
($ in thousands)	March 31, 2025 (unaudited)	December 31, 2024 (unaudited)	March 31, 2024 (unaudited)
Investments at fair value	$ 2,892,771	$ 2,835,294	$ 3,047,445
Number of portfolio companies	152	136	151
Average portfolio company debt size	$ 19,700	$ 22,000	$ 20,100
Asset class:			
First lien debt	80.9 %	81.8 %	80.8 %
Second lien debt	3.4 %	3.0 %	5.4 %
Unsecured debt	5.0 %	3.9 %	2.6 %
Equity	4.6 %	4.8 %	4.8 %
JV interests	6.1 %	6.5 %	6.4 %
Non-accrual debt investments:			
Non-accrual investments at fair value	$ 125,643	$ 105,326	$ 69,128
Non-accrual investments at cost	217,401	138,703	127,720
Non-accrual investments as a percentage of debt investments at fair value	4.6 %	3.9 %	2.4 %
Non-accrual investments as a percentage of debt investments at cost	7.6 %	5.1 %	4.3 %
Number of investments on non-accrual	10	9	5
Interest rate type:			
Percentage floating-rate	89.8 %	87.6 %	85.4 %
Percentage fixed-rate	10.2 %	12.4 %	14.6 %
Yields:			
Weighted average yield on debt investments[1]	10.2 %	10.7 %	12.2 %
Cash component of weighted average yield on debt investments	9.3 %	9.5 %	11.0 %
Weighted average yield on total portfolio investments[2]	9.8 %	10.2 %	11.7 %
Investment activity:			
New investment commitments	$ 407,000	$ 198,100	$ 395,600
New funded investment activity[3]	$ 405,800	$ 201,300	$ 377,400
Proceeds from prepayments, exits, other paydowns and sales	$ 279,400	$ 352,400	$ 322,600
Net new investments[4]	$ 126,400	$ (151,100)	$ 54,800
Number of new investment commitments in new portfolio companies	24	5	20
Number of new investment commitments in existing portfolio companies	8	8	15
Number of portfolio company exits	8	13	15

[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 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.
[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 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.
[3] New funded investment activity includes drawdowns on existing revolver and delayed draw term loan commitments.
[4] Net new investments consists of new funded investment activity less proceeds from prepayments, exits, other paydowns and sales.

As of March 31, 2025, the fair value of the investment portfolio was $2.9 billion and was composed of investments in 152 companies. These included debt investments in 131 companies, equity investments in 40 companies, and the Company's joint venture investments in SLF JV I and OCSI Glick JV LLC ("Glick JV"). 21 of the equity investments were in companies in which the Company also had a debt investment.

As of March 31, 2025, 94.9% of the Company's portfolio at fair value consisted of debt investments, including 80.9% of first lien loans, 3.4% of second lien loans and 10.6% of unsecured debt investments, including the debt investments in SLF JV I

and Glick JV. This compared to 81.8% of first lien loans, 3.0% of second lien loans and 9.6% of unsecured debt investments, including the debt investments in SLF JV I and Glick JV, as of December 31, 2024.

As of March 31, 2025, there were ten investments on non-accrual status, which represented 7.6% and 4.6% of the debt portfolio at cost and fair value, respectively. As of December 31, 2024, there were nine investments on non-accrual status, which represented 5.1% and 3.9% of the debt portfolio at cost and fair value, respectively.

SLF JV I

The Company's investments in SLF JV I totaled $128.6 million at fair value as of March 31, 2025, down 5.0% from $135.4 million as of December 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 March 31, 2025, SLF JV I had $374.7 million in assets, including senior secured loans to 52 portfolio companies. This compared to $344.9 million in assets, including senior secured loans to 42 portfolio companies, as of December 31, 2024. SLF JV I generated cash interest income of $3.2 million for the Company during the quarter ended March 31, 2025, down from $3.4 million in the prior quarter. In addition, SLF JV I generated dividend income of $0.7 million for the Company during the quarter ended March 31, 2025, flat from the prior quarter. As of March 31, 2025, SLF JV I had $73.0 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 $47.3 million at fair value as of March 31, 2025, down 4.6% from $49.6 million as of December 31, 2024. The decrease was primarily driven by Glick JV's use of leverage and unrealized depreciation in the underlying investment portfolio.

As of March 31, 2025, Glick JV had $125.1 million in assets, including senior secured loans to 41 portfolio companies. This compared to $127.9 million in assets, including senior secured loans to 39 portfolio companies, as of December 31, 2024. Glick JV generated cash interest income of $1.3 million for the Company during the quarter ended March 31, 2025, down from $1.4 million in the prior quarter. As of March 31, 2025, Glick JV had $31.0 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 1.3x.

Liquidity and Capital Resources

As of March 31, 2025, the Company had total principal value of debt outstanding of $1,470.0 million, including $520.0 million of outstanding borrowings under its revolving credit facilities, $350.0 million of the 2.700% Notes due 2027, $300.0 million of the 7.100% Notes due 2029 and $300.0 million of the 6.340% Notes due 2030. The funding mix was composed of 35% secured and 65% unsecured borrowings as of March 31, 2025. The Company was in compliance with all financial covenants under its credit facilities as of March 31, 2025.

As of March 31, 2025, the Company had $97.8 million of unrestricted cash and cash equivalents and over $1.0 billion of undrawn capacity on its credit facilities (subject to borrowing base and other limitations). As of March 31, 2025, unfunded investment commitments were $299.8 million, or $272.6 million excluding unfunded commitments to the Company's joint ventures. Of the $272.6 million, approximately $252.0 million could be drawn immediately with the remaining amount subject to certain milestones that must be met by portfolio companies or other restrictions. The Company has analyzed cash and cash equivalents, availability under its credit facilities, the ability to rotate out of certain assets and amounts of unfunded commitments that could be drawn and believes its liquidity and capital resources are sufficient to invest in market opportunities as they arise.

As of March 31, 2025, the weighted average interest rate on debt outstanding, including the effect of the interest rate swap agreements was 6.7%, up from 6.2% as of December 31, 2024, primarily driven by the impact of the repayment of the 3.500% Notes due 2025 and the issuance of the 6.340% Notes due 2030.

The Company's total debt to equity ratio was 1.00x and 1.11x as of each of March 31, 2025 and December 31, 2024, respectively. The Company's net debt to equity ratio was 0.93x and 1.03x as of each of March 31, 2025 and December 31, 2024, respectively.

Recent Developments

Syndicated Facility

On April 8, 2025, the Company entered into an amendment to its amended and restated senior secured credit facility (the "Syndicated Facility"), among other things, (1) generally reduce interest rate margins from 2.00% plus a SOFR adjustment (ranging between 0.11448% and 0.26161%) to 1.875% plus a SOFR adjustment of 0.10% on SOFR loans and from 1.00% to 0.875% plus a SOFR adjustment of 0.10% on alternate base rate loans, (2) remove the Consolidated Interest Coverage Ratio covenant, (3) decrease the facility size from $1.218 billion to $1.160 billion, (4) increase the "accordion" feature to allow expansion of the facility to $1.50 billion, and (5) extend the reinvestment period and final maturity date to April 8, 2029, and April 8, 2030, 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[1], 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 investment advisory agreement (as amended and restated from time to time, the "A&R Advisory Agreement"), and specifically as its 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

[1] Adjusted earnings (loss) includes accrued Part II incentive fees. As of and for the three months ended December 31, 2024, there was no accrued Part II incentive fee liability. Part II incentive fees are contractually calculated and paid at the end of the fiscal year in accordance with the A&R Advisory Agreement, which differs from Part II incentive fees accrued under GAAP. For the three months ended December 31, 2024, no amounts were payable under the A&R Advisory Agreement.

investment portfolio. Moreover, these metrics more closely align the Company's key financial measures with the calculation of incentive fees payable to the Adviser under with the A&R Advisory Agreement (i.e., excluding amounts resulting solely from the lower cost basis of the acquired investments established by ASC 805 that would have been to the benefit of the Adviser absent such exclusion).

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

	For the three months ended					
	March 31, 2025 (unaudited)		December 31, 2024 (unaudited)		March 31, 2024 (unaudited)	
($ in thousands, except per share data)	Amount	Per Share	Amount	Per Share	Amount	Per Share
GAAP total investment income	$ 77,568	$ 0.90	$ 86,647	$ 1.05	$ 94,029	$ 1.18
Interest income amortization (accretion) related to merger accounting adjustments	(373)	—	423	0.01	3,311	0.04
Adjusted total investment income	$ 77,195	$ 0.90	$ 87,070	$ 1.06	$ 97,340	$ 1.22

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					
	March 31, 2025 (unaudited)		December 31, 2024 (unaudited)		March 31, 2024 (unaudited)	
($ in thousands, except per share data)	Amount	Per Share	Amount	Per Share	Amount	Per Share
GAAP net investment income	$ 39,055	$ 0.45	$ 44,302	$ 0.54	$ 41,367	$ 0.52
Interest income amortization (accretion) related to merger accounting adjustments	(373)	—	423	0.01	3,311	0.04
Part II incentive fee	—	—	—	—	—	—
Adjusted net investment income	$ 38,682	$ 0.45	$ 44,725	$ 0.54	$ 44,678	$ 0.56

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					
	March 31, 2025 (unaudited)		December 31, 2024 (unaudited)		March 31, 2024 (unaudited)	
($ in thousands, except per share data)	Amount	Per Share	Amount	Per Share	Amount	Per Share
GAAP net realized and unrealized gains (losses), net of taxes	$ (75,304)	$ (0.88)	$ (37,063)	$ (0.45)	$ (32,030)	$ (0.40)
Net realized and unrealized gains (losses) related to merger accounting adjustments	56	—	(61)	—	(3,314)	(0.04)
Adjusted net realized and unrealized gains (losses), net of taxes	$ (75,248)	$ (0.88)	$ (37,124)	$ (0.45)	$ (35,344)	$ (0.44)

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					
	March 31, 2025 (unaudited)		December 31, 2024 (unaudited)		March 31, 2024 (unaudited)	
($ in thousands, except per share data)	Amount	Per Share	Amount	Per Share	Amount	Per Share
Net increase (decrease) in net assets resulting from operations	$ (36,249)	$ (0.42)	$ 7,239	$ 0.09	$ 9,337	$ 0.12
Interest income amortization (accretion) related to merger accounting adjustments	(373)	—	423	0.01	3,311	0.04
Net realized and unrealized gains (losses) related to merger accounting adjustments	56	—	(61)	—	(3,314)	(0.04)
Adjusted earnings (loss)	$ (36,566)	$ (0.43)	$ 7,601	$ 0.09	$ 9,334	$ 0.12

Conference Call Information

Oaktree Specialty Lending will host a conference call to discuss its second fiscal quarter 2025 results at 11:00 a.m. Eastern Time / 8:00 a.m. Pacific Time on May 1, 2025. 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. 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 3296634, beginning approximately one hour after the broadcast.

About Oaktree Specialty Lending Corporation

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

Forward-Looking Statements

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

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

	March 31, 2025 (unaudited)	December 31, 2024 (unaudited)	September 30, 2024
ASSETS			
Investments at fair value:			
Control investments (cost March 31, 2025: $375,317; cost December 31, 2024: $374,509; cost September 30, 2024: $372,901)	$ 230,904	$ 267,782	$ 289,404
Affiliate investments (cost March 31, 2025: $35,295; cost December 31, 2024: $37,358; cost September 30, 2024: $38,175)	32,475	35,180	35,677
Non-control/Non-affiliate investments (cost March 31, 2025: $2,703,644; cost December 31, 2024: $2,576,053; cost September 30, 2024: $2,733,843)	2,629,392	2,532,332	2,696,198
Total investments at fair value (cost March 31, 2025: $3,114,256; cost December 31, 2024: $2,987,920; September 30, 2024: $3,144,919)	**2,892,771**	**2,835,294**	**3,021,279**
Cash and cash equivalents	97,838	112,913	63,966
Restricted cash	10,370	13,159	14,577
Interest, dividends and fees receivable	22,768	25,290	38,804
Due from portfolio companies	317	408	12,530
Receivables from unsettled transactions	18,526	55,661	17,548
Due from broker	25,190	21,880	17,060
Deferred financing costs	10,196	10,936	11,677
Deferred offering costs	161	162	125
Derivative assets at fair value	—	6,652	—
Other assets	1,030	1,437	775
Total assets	**$ 3,079,167**	**$ 3,083,792**	**$ 3,198,341**
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable, accrued expenses and other liabilities	$ 3,451	$ 3,371	$ 3,492
Base management fee and incentive fee payable	7,332	8,930	15,517
Due to affiliate	1,277	1,508	4,088
Interest payable	14,087	17,600	16,231
Payables from unsettled transactions	110,202	—	15,666
Derivative liabilities at fair value	19,219	24,759	16,843
Deferred tax liability	—	14	—
Credit facilities payable	520,000	660,000	710,000
Unsecured notes payable (net of $7,573, $4,401 and $4,935 of unamortized financing costs as of March 31, 2025, December 31, 2024 and September 30, 2024, respectively)	928,486	917,795	928,693
Total liabilities	**1,604,054**	**1,633,977**	**1,710,530**
Commitments and contingencies			
Net assets:			
Common stock, $0.01 par value per share, 250,000 shares authorized; 88,086, 82,245 and 82,245 shares issued and outstanding as of March 31, 2025, December 31, 2024 and September 30, 2024, respectively	881	822	822
Additional paid-in-capital	2,367,337	2,264,449	2,264,449
Accumulated overdistributed earnings	(893,105)	(815,456)	(777,460)
Total net assets (equivalent to $16.75, $17.63 and $18.09 per common share as of March 31, 2025, December 31, 2024 and September 30, 2024, respectively)	**1,475,113**	**1,449,815**	**1,487,811**
Total liabilities and net assets	**$ 3,079,167**	**$ 3,083,792**	**$ 3,198,341**

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

	Three months ended March 31, 2025 (unaudited)	Three months ended December 31, 2024 (unaudited)	Three months ended March 31, 2024 (unaudited)	Six months ended March 31, 2025 (unaudited)	Six months ended March 31, 2024 (unaudited)
Interest income:					
Control investments	$ 4,884	$ 5,226	$ 5,949	$ 10,110	$ 11,954
Affiliate investments	159	166	10	325	334
Non-control/Non-affiliate investments	63,915	71,809	77,803	135,724	160,524
Interest on cash and cash equivalents	1,565	1,221	1,494	2,786	3,858
Total interest income	**70,523**	**78,422**	**85,256**	**148,945**	**176,670**
PIK interest income:					
Control investments	—	830	598	830	1,142
Affiliate investments	27	28	—	55	—
Non-control/Non-affiliate investments	4,504	4,870	4,218	9,374	7,523
Total PIK interest income	**4,531**	**5,728**	**4,816**	**10,259**	**8,665**
Fee income:					
Control investments	—	—	13	—	26
Affiliate investments	—	—	—	—	5
Non-control/Non-affiliate investments	1,742	1,679	2,533	3,421	3,822
Total fee income	**1,742**	**1,679**	**2,546**	**3,421**	**3,853**
Dividend income:					
Control investments	700	700	1,400	1,400	2,800
Non-control/Non-affiliate investments	72	118	11	190	26
Total dividend income	**772**	**818**	**1,411**	**1,590**	**2,826**
Total investment income	**77,568**	**86,647**	**94,029**	**164,215**	**192,014**
Expenses:					
Base management fee	7,515	8,144	11,604	15,659	23,081
Part I incentive fee	6,733	7,913	8,452	14,646	17,480
Professional fees	1,227	1,067	1,213	2,294	2,717
Directors fees	160	160	160	320	320
Interest expense	28,191	30,562	31,881	58,753	64,051
Administrator expense	388	437	326	825	692
General and administrative expenses	937	926	526	1,863	1,117
Total expenses	**45,151**	**49,209**	**54,162**	**94,360**	**109,458**
Management fees waived	(183)	(750)	(1,500)	(933)	(3,000)
Part I incentive fees waived	(6,733)	(6,377)	—	(13,110)	—
Net expenses	**38,235**	**42,082**	**52,662**	**80,317**	**106,458**
Net investment income before taxes	**39,333**	**44,565**	**41,367**	**83,898**	**85,556**
(Provision) benefit for taxes on net investment income	(278)	(263)	—	(541)	—
Net investment income	**39,055**	**44,302**	**41,367**	**83,357**	**85,556**
Unrealized appreciation (depreciation):					
Control investments	(37,686)	(23,230)	(6,193)	(60,916)	(4,854)
Affiliate investments	(642)	320	93	(322)	(832)
Non-control/Non-affiliate investments	(28,975)	(7,198)	(21,396)	(36,173)	(39,011)
Foreign currency forward contracts	(14,720)	10,494	2,244	(4,226)	(5,580)
Net unrealized appreciation (depreciation)	**(82,023)**	**(19,614)**	**(25,252)**	**(101,637)**	**(50,277)**
Realized gains (losses):					
Control investments	13	—	—	13	786
Affiliate investments	333	(288)	—	45	—
Non-control/Non-affiliate investments	(1,547)	(17,056)	(5,433)	(18,603)	(18,773)
Foreign currency forward contracts	7,906	34	(1,170)	7,940	2,931
Net realized gains (losses)	**6,705**	**(17,310)**	**(6,603)**	**(10,605)**	**(15,056)**
(Provision) benefit for taxes on realized and unrealized gains (losses)	**14**	**(139)**	**(175)**	**(125)**	**(351)**
Net realized and unrealized gains (losses), net of taxes	**(75,304)**	**(37,063)**	**(32,030)**	**(112,367)**	**(65,684)**
Net increase (decrease) in net assets resulting from operations	**$ (36,249)**	**$ 7,239**	**$ 9,337**	**$ (29,010)**	**$ 19,872**
Net investment income per common share — basic and diluted	**$ 0.45**	**$ 0.54**	**$ 0.52**	**$ 0.99**	**$ 1.09**
Earnings (loss) per common share — basic and diluted	**$ (0.42)**	**$ 0.09**	**$ 0.12**	**$ (0.35)**	**$ 0.25**
Weighted average common shares outstanding — basic and diluted	85,916	82,245	79,763	84,061	78,797