

# OXSQ

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Oxford Square Capital Corp.  
Investor Presentation  
Quarter Ended December 31, 2018

# Disclaimer

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There is no guarantee that any of the estimates, targets or projections illustrated in these materials and any presentation of which they form a part will be achieved. Any references herein to any of the Company’s past or present investments or its past or present performance, have been provided for illustrative purposes only. It should not be assumed that these investments were or will be profitable or that any future investments by the Company will be profitable or will equal the performance of these investments.

The information contained herein has been derived from financial statements and other documents provided by the portfolio companies and/or the third party manager of such portfolio companies unless otherwise stated.

Past performance is not indicative of future results. In addition, there can be no assurance that unrealized investments will be realized at the expected multiples shown as actual realized returns will depend on, among other factors, future operating results of each of the Company’s current portfolio companies, the value of the assets and economic conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the Company’s expected returns are based. In many instances, the Company will not determine the timing or manner of sale of the Company’s portfolio companies.

Statements included herein may constitute “forward-looking statements,” which relate to future events or our future performance or financial condition. These statements are not guarantees of future performance, condition or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described from time to time in our filings with the Securities and Exchange Commission. OXSQ undertakes no duty to update any forward-looking statements made herein, except as may be required by law.

# Financial Highlights

<i>(\$ per share)</i>	<b><u>Q4-18</u></b>	<b><u>Q3-18</u></b>	<b><u>Q2-18</u></b>	<b><u>Q1-18</u></b>	<b><u>Q4-17</u></b>
GAAP net investment income	\$ 0.18	\$ 0.18	\$ 0.15	\$ 0.17	\$ 0.15
Distributions declared and paid	0.20	0.20	0.20	0.20	0.20
Net realized (losses) gains	(0.06)	0.00	(0.02)	0.01	(0.02)
Net unrealized (losses) gains	(0.82)	(0.05)	0.01	0.05	0.19
Net decrease in net assets resulting from operations	(0.71)	0.13	0.14	0.22	0.32
Net asset value	6.60	7.49	7.56	7.60	7.55

<i>(\$ in millions)</i>	<b><u>Q4-18</u></b>	<b><u>Q3-18</u></b>	<b><u>Q2-18</u></b>	<b><u>Q1-18</u></b>	<b><u>Q4-17</u></b>
Total fair value of investments	\$ 445.0	\$ 505.4	\$ 452.9	\$ 414.2	\$ 418.4
Number of portfolio investments	62	74	71	61	62
Net assets	\$ 314.7	\$ 368.3	\$ 373.4	\$ 383.8	\$ 388.4
Debt outstanding at carrying value	\$ 148.2	\$ 150.1	\$ 157.5	\$ 62.4	\$ 62.3
Debt to equity	0.47x	0.41x	0.42x	0.16x	0.16x

Note: Certain figures may not tie to financial statements due to rounding.

# Summary Portfolio Highlights

## Portfolio Activity

(\$ in millions)	Q4-18	Q3-18	Q2-18	Q1-18	Q4-17
New investments	\$ 39.2	\$ 91.8	\$ 88.8	\$ 24.7	\$ 40.7
Exits (including sales and repayments)	49.4	36.3	43.7	28.0	47.4
<b>Net investment activity</b>	<b>\$ (10.2)</b>	<b>\$ 55.5</b>	<b>\$ 45.1</b>	<b>\$ (3.3)</b>	<b>\$ (6.7)</b>
Weighted average yield of debt investments at current cost <sup>1</sup>	9.7%	9.4%	9.7%	9.9%	9.7%
Weighted average effective yield of CLO equity investments at current cost	15.6%	14.8%	14.5%	15.9%	15.6%
<b>Weighted average yield of total investments at current cost</b>	<b>12.2%</b>	<b>11.7%</b>	<b>11.5%</b>	<b>12.6%</b>	<b>12.3%</b>
Weighted average cash distribution yield of debt investments at current cost <sup>2</sup>	9.3%	8.8%	8.9%	9.1%	9.1%
Weighted average cash distribution yield of cash income producing CLO equity investments at current cost	17.4%	18.6%	18.0%	15.5%	20.2%
<b>Weighted average cash yield of cash income producing securities at current cost</b>	<b>12.7%</b>	<b>12.2%</b>	<b>12.5%</b>	<b>11.4%</b>	<b>13.5%</b>

## Total Investments by Asset Type<sup>3,4</sup>

	Q4-18	Q3-18	Q2-18	Q1-18	Q4-17
First-lien secured debt	28%	25%	26%	28%	28%
Second-lien secured debt	36%	33%	37%	30%	30%
CLO equity	33%	38%	32%	37%	37%
CLO debt	<1%	1%	1%	1%	1%
Other <sup>5</sup>	3%	4%	4%	4%	4%

Note: Certain figures may not tie to financial statements due to rounding.

1. Includes non-cash amortization of OID.

2. Represents the cash interest received in the respective quarter annualized and divided by the average of the total cost basis (exclusive of OID accretion) of debt investments outstanding at the beginning and end of such respective quarter.

3. As a percentage of total portfolio fair value as of quarter end. Excludes cash and equivalents.

4. Due to rounding, totals may not add up to 100%.

5. "Other" includes common stock and preferred equity.

# CLO Equity Investment Highlights

<i>(\$ in millions)</i>	<u>Q4-18</u>	<u>Q3-18</u>	<u>Q2-18</u>	<u>Q1-18</u>	<u>Q4-17</u>
Cash income producing CLO equity at original cost <sup>1</sup>	\$ 201.4	\$ 160.9	\$ 170.1	\$ 177.5	\$ 197.7
Non-cash income producing CLO equity at original cost <sup>2</sup>	4.2	55.1	4.5	-	-
Total CLO Equity	<u>\$ 205.6</u>	<u>\$ 215.9</u>	<u>\$ 174.6</u>	<u>\$ 177.5</u>	<u>\$ 197.7</u>

## Breakdown of Non-cash Income Producing CLO Equity as of December 31, 2018<sup>2</sup>

<i>(\$ in millions)</i>	
Inaugural distribution payment by Q1-19	\$ 4.2
Inaugural distribution payment by Q2-19	-
Inaugural distribution payment by Q3-19	-
Total non-cash income producing CLO equity at cost	<u>\$ 4.2</u>

1. Includes CLO equity investments which made a distribution payment to OXSQ during the quarter but were fully or partially sold before quarter end. Excludes called deals.

2. Represents the amount of CLO equity investments purchased in either the primary or secondary market which did not make a distribution payment to OXSQ during the quarter. For newly issued CLOs, it can generally take up to three quarters from initial issuance to receive the inaugural distribution payment from a CLO equity investment.

# CLO Portfolio Summary

## OXSQ CLO Portfolio Information

As of December 31, 2018

CLO Equity Positions	CLO Vintage Year <sup>1</sup>	Tranche Type	Non-Call Period End*	Reinvestment Period End*	AAA Spread (L+)*	Junior Tranche Overcollateralization Cushion*	Interest Diversion Overcollateralization Cushion*	Weighted Average Portfolio Spread*	Weighted Average Rating Factor*	Diversity Score*	Weighted Average Portfolio Life (Years)*
CLO Equity Position #1	2016	CLO Equity	Callable	July-18	0.92%	3.64%	2.64%	3.46%	3229	50	3.98
CLO Equity Position #2	2014	CLO Equity	Callable	July-18	1.21%	4.51%	6.32%	3.44%	2812	79	4.55
CLO Equity Position #3	2013	CLO Equity	Callable	October-18	1.22%	0.59%	NA	3.33%	2891	64	3.97
CLO Equity Position #4	2015	CLO Equity	Callable	April-19	0.82%	4.05%	3.05%	3.69%	2770	113	4.94
CLO Equity Position #5	2013	CLO Equity	Callable	January-21	1.52%	6.11%	5.03%	3.61%	2896	72	5.07
CLO Equity Position #6	2018	CLO Equity	Callable	July-19	1.30%	2.34%	1.84%	3.93%	2860	60	4.56
CLO Equity Position #7	2014	CLO Equity	Callable	January-19	1.45%	1.59%	1.09%	3.42%	2943	67	4.07
CLO Equity Position #8	2013	CLO Equity	Callable	January-21	0.89%	5.17%	4.67%	3.43%	2893	77	4.87
CLO Equity Position #9	2013	CLO Equity	April-19	April-20	0.88%	4.48%	3.47%	3.67%	2764	114	4.94
CLO Equity Position #10	2013	CLO Equity	April-19	April-20	0.99%	2.73%	1.50%	4.06%	NA	64	4.38
CLO Equity Position #11	2014	CLO Equity	April-19	April-22	1.07%	5.34%	4.14%	3.64%	2762	76	4.88
CLO Equity Position #12	2013	CLO Equity	June-19	June-21	1.23%	4.09%	3.09%	3.26%	2803	NA	4.91
CLO Equity Position #13	2012	CLO Equity	July-19	July-21	1.37%	4.46%	3.46%	3.96%	2834	94	5.10
CLO Equity Position #14	2016	CLO Equity	July-19	July-21	1.55%	6.14%	5.14%	3.67%	2770	73	4.82
CLO Equity Position #15	2017	CLO Equity	July-19	July-22	1.28%	5.10%	4.10%	3.69%	2690	67	5.33
CLO Equity Position #16	2014	CLO Equity	August-19	August-21	1.25%	2.46%	1.46%	3.69%	2765	110	4.75
CLO Equity Position #17	2016	CLO Equity	October-19	February-21	1.09%	3.85%	2.85%	3.22%	2858	79	5.02
CLO Equity Position #18	2014	CLO Equity	October-19	October-21	1.53%	3.12%	1.62%	4.69%	3684	59	4.02
CLO Equity Position #19	2013	CLO Equity	November-19	November-22	1.20%	3.82%	2.76%	3.33%	2945	95	4.70
CLO Equity Position #20	2013	CLO Equity	January-20	January-22	1.24%	4.50%	3.40%	4.02%	2846	63	4.51
CLO Equity Position #21	2015	CLO Equity	January-20	January-23	0.99%	NR	3.53%	3.39%	2829	77	5.04
CLO Equity Position #22	2012	CLO Equity	April-20	April-23	1.01%	4.20%	3.13%	3.22%	2704	93	4.45
CLO Equity Position #23	2018	CLO Equity	July-20	July-23	1.09%	5.42%	4.34%	3.21%	2885	81	5.01
CLO Equity Position #24	2018	CLO Equity	July-20	July-23	1.09%	4.28%	3.78%	3.57%	2689	79	5.71
<b>Subtotal (Fair Value)</b>	<b>\$148,891,622</b>			<b>June-21<sup>2</sup></b>	<b>1.22%<sup>2</sup></b>	<b>4.34%<sup>2</sup></b>	<b>3.45%<sup>2</sup></b>	<b>3.70%<sup>2</sup></b>	<b>2840<sup>2,3</sup></b>	<b>73<sup>2</sup></b>	<b>4.86<sup>2</sup></b>

CLO Debt Positions	CLO Vintage Year <sup>1</sup>	Tranche Type	Non-Call Period End*	Reinvestment Period End*	AAA Spread (L+)*	Junior Tranche Overcollateralization Cushion*	Reinvestment Overcollateralization Cushion*	Weighted Average Portfolio Spread*	Weighted Average Rating Factor*	Diversity Score*	Weighted Average Portfolio Life (Years)*
CLO Debt Position #1	2018	CLO Debt	July-20	July-23	1.09%	5.42%	4.34%	3.21%	2885	81	5.01
<b>Subtotal (Fair Value)</b>	<b>\$915,900</b>										
<b>Total (Fair Value)</b>	<b>\$149,807,522<sup>4</sup></b>			<b>June-21<sup>2</sup></b>							

1. Year in which the deal was initially issued prior to any related refinancings and/or resets.

2. Shown on a weighted average basis (based on Fair Value).

3. Weighted Average Rating Factor (WARF) Score of 2840 and 2885, for OXSQ's CLO equity and debt tranche positions, respectively, are equivalent to a Moody's corporate debt rating of between B2 and B3 (B2 = 2720, B3 = 3490).

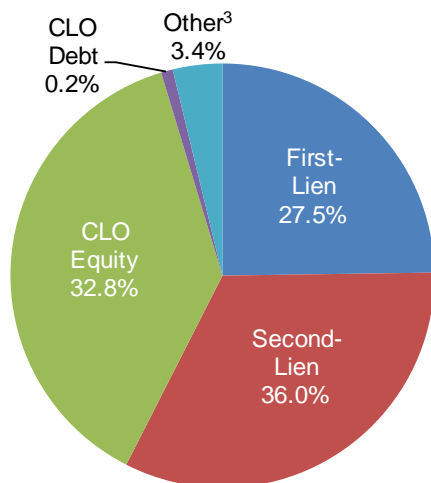
4. Excludes called deals and CLO equity side letter related investments.

\* Source: As reported by Intex.

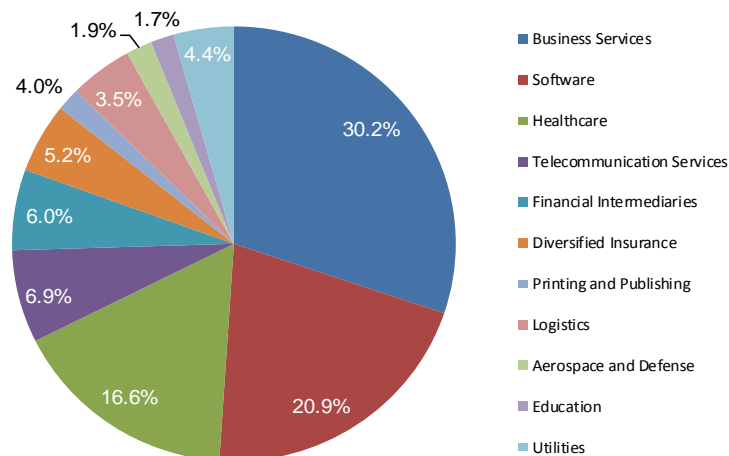
# Investment Portfolio

- \$445.0 million portfolio composed of 62 unique investments<sup>1</sup>
- Average investment by fair value represents 1.6% of total portfolio
- Top 10 unique investments by fair value represent 40.1% of total portfolio<sup>2</sup>

## Total Investments by Asset Type<sup>1</sup>



## Corporate Loan Portfolio by Industry<sup>1,4</sup>

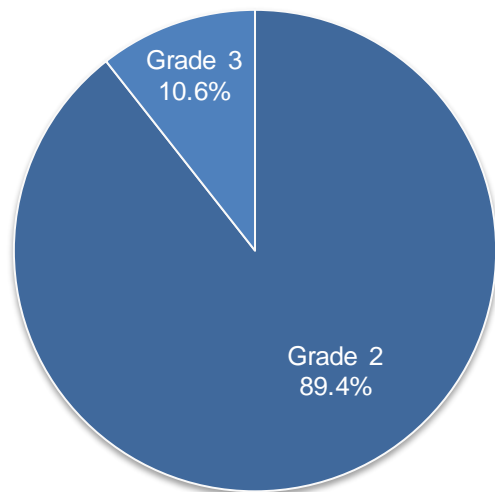


**63.5% of OXSQ's investments are in senior secured debt<sup>1</sup>**

1. At fair value as of 12/31/18. Due to rounding, totals may not add up to 100%. Excludes cash and equivalents.  
 2. Does not combine different investments in the same company or CLO vehicle.  
 3. "Other" includes common stock and preferred equity.  
 4. Excludes CLO equity and CLO debt investments.

# Quality Portfolio

OXSQ's debt portfolio has a weighted-average internal credit grade of 2.1<sup>1</sup>



## Portfolio Grading

<b>Grade 1</b>	Company is ahead of expectations and/or outperforming financial covenant requirements of the specific tranche and this trend is expected to continue.
<b>Grade 2</b>	Full repayment of the outstanding amount of OXSQ's cost basis and interest is expected for the specific tranche.
<b>Grade 3</b>	Closer monitoring is required. Full repayment of the outstanding amount of OXSQ's cost basis and interest is expected for the specific tranche.
<b>Grade 4</b>	A loss of interest income has occurred or is expected to occur and in most cases, the investment is placed on non-accrual status. Full repayment of the outstanding amount of OXSQ's cost basis is expected for the specific tranche.
<b>Grade 5</b>	Full repayment of the outstanding amount of OXSQ's cost basis is not expected for the specific tranche and the investment is placed on non-accrual status.

1. At fair value as of 12/31/18.



# Outstanding Debt

*(\$ in thousands)*

	Principal Amount <sup>1</sup>	Carrying Value <sup>1</sup>	Cost of Debt	Maturity
Unsecured Notes due 2024	\$ 64,370	\$ 62,665	6.50%	Mar-24
Credit Facility	\$ 85,679	\$ 85,523	L + 2.25% <sup>2</sup>	Jun-20
<b>Total Debt</b>	<b>\$ 150,049</b>	<b>\$ 148,188</b>		
<b>Total Equity</b>		<b>\$ 314,724</b>		
<b>Debt to Equity</b>		<b>0.47x</b>		

Note: Certain figures may not tie to financial statements due to rounding.

1. As of 12/31/18.

2. Pricing under the Facility is based on 3-month LIBOR.

# Quarterly Balance Sheet

(\$ in millions)	As of				
	<u>12/31/2018</u>	<u>9/30/2018</u>	<u>6/30/2018</u>	<u>3/31/2018</u>	<u>12/31/2017</u>
<b>Assets</b>					
Total investments at fair value	\$ 445.0	\$ 505.4	\$ 452.9	\$ 414.2	\$ 418.4
Cash and cash equivalents	13.9	8.6	124.2	48.8	30.0
Restricted cash	3.2	3.5	1.9	-	-
Securities sold not settled	-	-	-	1.7	-
Other assets	5.1	5.2	4.5	3.4	5.7
<b>Total Assets</b>	<b>\$ 467.1</b>	<b>\$ 522.7</b>	<b>\$ 583.5</b>	<b>\$ 468.1</b>	<b>\$ 454.1</b>
<b>Liabilities and Net Assets</b>					
Debt	\$ 148.2	\$ 150.1	\$ 157.5	\$ 62.4	\$ 62.3
Securities purchased not settled	-	-	49.4	18.6	-
Investment advisory and incentive fee payable	3.2	3.4	2.6	2.7	2.7
Interest payable	0.5	0.4	0.1	-	-
Other liabilities	0.5	0.6	0.5	0.5	0.7
<b>Total Liabilities</b>	<b>\$ 152.4</b>	<b>\$ 154.5</b>	<b>\$ 210.1</b>	<b>\$ 84.2</b>	<b>\$ 65.7</b>
<b>Total Net Assets</b>	<b>\$ 314.7</b>	<b>\$ 368.3</b>	<b>\$ 373.4</b>	<b>\$ 383.8</b>	<b>\$ 388.4</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 467.1</b>	<b>\$ 522.7</b>	<b>\$ 583.5</b>	<b>\$ 468.1</b>	<b>\$ 454.1</b>
Net Asset Value per Share	\$ 6.60	\$ 7.49	\$ 7.56	\$ 7.60	\$ 7.55
Debt to Equity	0.47x	0.41x	0.42x	0.16x	0.16x

Note: Certain numbers may not foot or tie to financial statements due to rounding.

# Quarterly Income Statement

(\$ in millions, except per share)	For the three months ended				
	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
<b>Investment Income</b>					
Interest income	\$ 7.0	\$ 6.5	\$ 5.9	\$ 5.9	\$ 5.6
Income from Securitization Vehicles	7.7	7.2	6.1	6.8	7.2
Fee and other income	0.4	1.5	0.5	0.6	0.6
Total Investment Income	\$ 15.2	\$ 15.2	\$ 12.5	\$ 13.3	\$ 13.4
<b>Expenses</b>					
Interest and other debt financing expenses <sup>1</sup>	2.5	2.3	1.3	1.1	1.8
Investment advisory fees	2.1	1.8	1.7	1.7	1.7
Net investment income incentive fees	1.2	1.6	0.8	1.0	1.0
Other operating expenses	0.9	0.9	1.0	0.8	1.3
Total Expenses <sup>1</sup>	6.7	6.6	4.8	4.6	5.8
Net Investment Income <sup>1</sup>	\$ 8.5	\$ 8.6	\$ 7.7	\$ 8.7	\$ 7.6
<b>Net (Loss) Gain on Investments</b>					
Net change in unrealized (depreciation) appreciation on investments	(39.8)	(2.3)	0.3	2.5	9.8
Net realized (loss) gain on investments	(2.8)	0.2	(1.0)	0.3	(1.0)
Net (loss) gain on investments	(42.6)	(2.1)	(0.8)	2.8	8.8
Extinguishment of debt		-	-	-	-
Net (decrease) increase in Net Assets resulting from operations	\$ (34.1)	\$ 6.5	\$ 6.9	\$ 11.5	\$ 16.4
<b>Per Share</b>					
GAAP net investment income <sup>1</sup>	\$ 0.18	\$ 0.18	\$ 0.15	\$ 0.17	\$ 0.15
Distributions declared and paid	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20
Weighted average common shares outstanding (in millions)	48.2	49.2	50.1	51.2	51.5
Common shares outstanding at end of period (in millions)	47.7	49.1	49.4	50.5	51.5

Note: Certain numbers may not foot or tie to financial statements due to rounding.

1. Certain prior period figures have been reclassified from those originally published in quarterly and annual reports to conform to the current period presentation for comparative purposes.

# Corporate Information

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## Board of Directors

### Independent

Steven P. Novak - Chairman  
Richard W. Neu  
George "Chip" Stelljes III

### Non-Independent

Charles M. Royce  
Jonathan H. Cohen

## Corporate Offices

8 Sound Shore Drive  
Suite 255  
Greenwich, CT 06830

## Corporate Website

[www.oxfordsquarecapital.com](http://www.oxfordsquarecapital.com)

## Investor Relations

Bruce L. Rubin  
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[ir@oxfordfunds.com](mailto:ir@oxfordfunds.com)

## Fiscal Year End

December 31

## Independent Audit Firm

PricewaterhouseCoopers LLP

## Corporate Counsel

Eversheds Sutherland (US) LLP

## Transfer Agent

Computershare Trust Company, N.A  
Tel: 1-877-498-8861 / [www.computershare.com](http://www.computershare.com)

## Securities Listing

Common Stock:

"OXSQ" - NasdaqGS

Notes:

"OXSQL" - NasdaqGS

## Executive Corporate Officers

Jonathan H. Cohen	Board Member and Chief Executive Officer
Saul B. Rosenthal	President and Chief Operating Officer
Bruce L. Rubin	Chief Financial Officer
Jerry Cummins	Chief Compliance Officer