

OXSQ

Oxford Square Capital Corp.
Investor Presentation
Quarter Ended March 31, 2023

Disclaimer

This presentation is neither an offer to sell, nor a solicitation of an offer to purchase, any securities of Oxford Square Capital Corp. (“OXSQ” or the “Company”).

This presentation and the summaries contained herein do not purport to be complete and no obligation to update or otherwise revise such information is being assumed. Nothing shall be relied upon as a promise or representation as to the future performance of the Company. Such information is qualified in its entirety by reference to the more detailed discussions contained elsewhere in the Company’s public filings with the Securities and Exchange Commission.

There is no guarantee that any of the estimates, targets or projections illustrated in this presentation 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 past or present 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. Certain information discussed in this presentation (including information relating to portfolio companies) was derived from third-party sources and has not been independently verified and, accordingly, the Company makes no representation or warranty with respect to this information.

Past performance is not indicative of future results. In addition, there can be no assurance that unrealized gains/losses will be realized at the expected multiples shown since actual realized returns will depend on, among other factors, the 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 certain instances, the Company will not determine the timing or manner of disposition 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 the Company’s filings with the Securities and Exchange Commission. The Company undertakes no duty to update any forward-looking statements made herein, except as may be required by law.

Financial Highlights

<i>(\$ per share)</i>	<u>Q1-23</u>	<u>Q4-22</u>	<u>Q3-22</u>	<u>Q2-22</u>	<u>Q1-22</u>
GAAP net investment income ¹	\$ 0.13	\$ 0.13	\$ 0.11	\$ 0.09	\$ 0.09
Distributions declared and paid	\$ 0.105	\$ 0.105	\$ 0.105	\$ 0.105	\$ 0.105
Net realized gains (losses) on investments ¹	\$ -	\$ 0.00	\$ 0.00	\$ (0.03)	\$ 0.02
Net unrealized losses on investments ¹	\$ (0.00)	\$ (0.59)	\$ (0.34)	\$ (0.93)	\$ (0.27)
Net increase (decrease) in net assets resulting from operations ¹	\$ 0.13	\$ (0.46)	\$ (0.22)	\$ (0.87)	\$ (0.16)
Net asset value	\$ 2.80	\$ 2.78	\$ 3.34	\$ 3.67	\$ 4.65

<i>(\$ in millions)</i>	<u>Q1-23</u>	<u>Q4-22</u>	<u>Q3-22</u>	<u>Q2-22</u>	<u>Q1-22</u>
Total fair value of investments	\$ 319.7	\$ 314.7	\$ 340.2	\$ 369.4	\$ 406.2
Number of portfolio investments	64	63	61	61	59
Net assets	\$ 139.8	\$ 138.7	\$ 166.5	\$ 182.8	\$ 231.3
Principal amount of debt outstanding	\$ 189.7	\$ 189.7	\$ 189.7	\$ 189.7	\$ 189.7
Debt to equity	1.36x	1.37x	1.14x	1.04x	0.82x

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

1. Per share amounts based on weighted average shares outstanding for the respective quarter presented.

Summary Portfolio Highlights

Portfolio Activity

(\$ in millions)	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22
New investments	\$ 8.2	\$ 6.1	\$ 3.9	\$ 26.9	\$ 47.4
Sales and Repayments	0.3	0.2	12.8	9.6	42.0
Net investment activity	\$ 7.9	\$ 5.8	\$ (8.8)	\$ 17.2	\$ 5.3
Weighted average yield of debt investments at current cost ¹	12.4%	11.9%	10.4%	9.0%	8.0%
Weighted average effective yield of CLO equity investments at current cost	9.1%	8.4%	9.0%	9.5%	8.9%
Weighted average yield of total investments at current cost	11.0%	10.4%	9.8%	9.2%	8.4%
Weighted average cash distribution yield of debt investments at current cost ²	10.8%	9.8%	8.5%	7.3%	6.6%
Weighted average cash distribution yield of cash income producing CLO equity investments at current cost ³	15.3%	13.0%	16.6%	20.7%	23.8%
Weighted average cash yield of cash income producing securities at current cost	12.5%	11.1%	11.7%	12.5%	13.4%

Total Investments by Asset Type^{4,5}

	Q1-23	Q4-22	Q3-22	Q2-22	Q1-22
First-lien secured debt	28%	27%	24%	23%	22%
Second-lien secured debt	40%	41%	44%	46%	45%
CLO equity	30%	31%	32%	30%	33%
CLO debt	0%	0%	0%	0%	0%
Other ⁶	2%	1%	<1%	<1%	<1%

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

1. Represents accrued interest divided by amortized cost of interest earning debt investments (excluding investments on non-accrual status) held on 3/31/2023.
2. Represents the cash interest received or entitled to be received and recognized as income on interest earning debt investments (excluding PIK interest and OID) in the respective quarter annualized, divided by the average of the total cost basis at the beginning and end of such respective quarter of total debt investments.
3. The CLO equity cash distribution yield shown is calculated by taking the quarterly distributions received, or were entitled to be received, for the CLO equity investments which were scheduled to make a distribution to OXSQ (which includes investments where there was full cashflow diversion), annualizing such amount and dividing by the current cost basis of those investments. It does not include CLO equity which had not made its initial distribution by quarter-end or CLO investments which have been optionally redeemed.
4. As a percentage of the total invested portfolio fair value as of quarter end. Excludes cash and equivalents.
5. Due to rounding, totals may not add up to 100%.
6. "Other" includes common stock and preferred equity.

CLO Equity & Initial Distribution Schedule

(\$ in millions)	<u>Q1-23</u>	<u>Q4-22</u>	<u>Q3-22</u>	<u>Q2-22</u>	<u>Q1-22</u>
CLO equity which has made its initial distribution to OXSQ (at original cost) ¹	\$ 246.9	\$ 246.9	\$ 242.9	\$ 221.4	\$ 232.6
CLO equity which has not made its initial distribution to OXSQ (at original cost) ²	-	-	3.9	23.3	-
Total CLO Equity ¹	\$ 246.9	\$ 246.9	\$ 246.9	\$ 244.7	\$ 232.6

CLO Equity Holdings Making Initial Distributions as of the Dates Below²

(\$ in millions)	
CLO equity expected to make initial distribution to OXSQ by 6-30-23 (at original cost)	\$ -
CLO equity expected to make initial distribution to OXSQ by 9-30-23 (at original cost)	-
CLO equity expected to make initial distribution to OXSQ by 12-31-23 (at original cost)	-
Total	\$ -

Cash Flow Diversion Amount

(\$ in millions)	<u>Q1-23</u>	<u>Q4-22</u>	<u>Q3-22</u>	<u>Q2-22</u>	<u>Q1-22</u>
Cash flow diversion amount ^{3,4}	\$ 0.1	\$ -	\$ -	\$ -	\$ -

Note: Totals may not sum due to rounding.

1. Excludes called deals.
2. Represents the amount of CLO equity investments (purchased in either the primary or secondary market) which had not yet made an initial distribution to OXSQ during the quarter. For newly issued CLOs, it can generally take up to three quarters from issuance to receive initial distribution payments from those respective CLO equity investments.
3. These figures represent the total cash diverted from investments by the CLO vehicle as a result of failure to comply with their respective overcollateralization and/or interest diversion tests.
4. As reported by Trustee, includes record date payments as of quarter-end.

CLO Portfolio Summary

OXSQ CLO Portfolio Information

as of 03/31/2023

CLO Equity Positions	CLO Vintage Year ¹	Tranche Type	Non-Call Period End*	Reinvestment Period End*	AAA Spread (Over Index)*	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	2013	CLO Equity	Callable	July-19	NA	-12.86%	NR	4.35%	3791	18	2.27
CLO Equity Position #2	2014	CLO Equity	Callable	April-20	0.88%	0.09%	NR	3.46%	2707	74	2.35
CLO Equity Position #3	2014	CLO Equity	Callable	April-20	1.25%	-7.33%	NR	3.64%	NA	30	2.73
CLO Equity Position #4	2015	CLO Equity	Callable	January-21	0.92%	4.29%	NR	3.39%	2815	59	2.80
CLO Equity Position #5	2017	CLO Equity	Callable	July-21	1.18%	-0.14%	NR	3.83%	2947	60	3.03
CLO Equity Position #6	2013	CLO Equity	Callable	January-22	1.24%	-0.77%	NR	3.32%	2832	70	3.77
CLO Equity Position #7	2017	CLO Equity	Callable	July-22	0.98%	0.04%	NR	3.54%	2825	83	3.60
CLO Equity Position #8	2015	CLO Equity	Callable	October-22	0.94%	3.31%	NR	3.76%	2948	76	4.16
CLO Equity Position #9	2015	CLO Equity	Callable	January-23	0.99%	1.15%	NR	3.50%	2902	92	4.00
CLO Equity Position #10	2019	CLO Equity	Callable	April-23	1.35%	1.33%	0.33%	3.78%	2757	89	4.13
CLO Equity Position #11	2018	CLO Equity	Callable	July-23	1.10%	1.60%	0.60%	3.48%	3002	78	4.13
CLO Equity Position #12	2014	CLO Equity	Callable	October-23	1.15%	0.71%	0.21%	3.60%	2800	98	4.44
CLO Equity Position #13	2014	CLO Equity	Callable	October-23	1.21%	2.64%	2.17%	3.52%	2974	93	4.18
CLO Equity Position #14	2018	CLO Equity	Callable	October-23	1.20%	2.17%	1.17%	3.94%	2583	101	4.54
CLO Equity Position #15	2021	CLO Equity	Callable	January-24	1.22%	4.92%	4.42%	3.67%	2694	82	4.65
CLO Equity Position #16	2020	CLO Equity	Callable	April-25	1.29%	5.64%	5.14%	3.81%	2683	102	4.57
CLO Equity Position #17	2013	CLO Equity	April-23	April-26	1.08%	4.35%	3.85%	3.42%	NA	NA	4.22
CLO Equity Position #18	2016	CLO Equity	April-23	April-26	1.05%	4.24%	3.74%	3.43%	2844	85	4.21
CLO Equity Position #19	2016	CLO Equity	April-23	April-26	1.04%	5.04%	4.04%	3.52%	2693	99	4.50
CLO Equity Position #20	2021	CLO Equity	August-23	July-26	1.17%	5.45%	4.95%	3.64%	2727	89	4.81
CLO Equity Position #21	2020	CLO Equity	October-23	October-26	1.19%	5.14%	4.64%	3.62%	2745	93	4.46
Subtotal (Fair Value)	\$94,606,474²			March-25³	1.11%³	4.30%³	4.04%³	3.58%³	2749^{3,4}	89³	4.40³

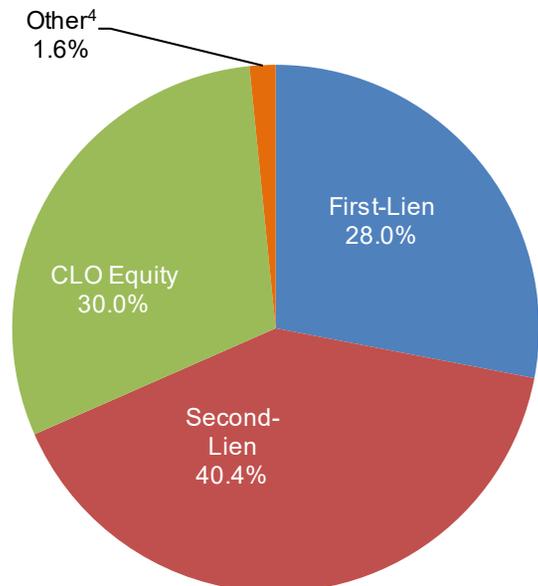
Note: OXSQ did not hold any CLO debt positions as of 3/31/2023.

1. Year in which the deal was initially issued prior to any related refinancings and/or resets.
 2. Excludes called deals and CLO equity side letter related investments.
 3. Shown on a weighted average basis (based on fair value).
 4. Weighted Average Rating Factor of 2749, for underlying loans of OXSQ's CLO equity tranche positions, is equivalent to a Moody's corporate debt rating of between B2 and B3 (B2 = 2720, B3 = 3490).
- * Source: As reported by Intex.

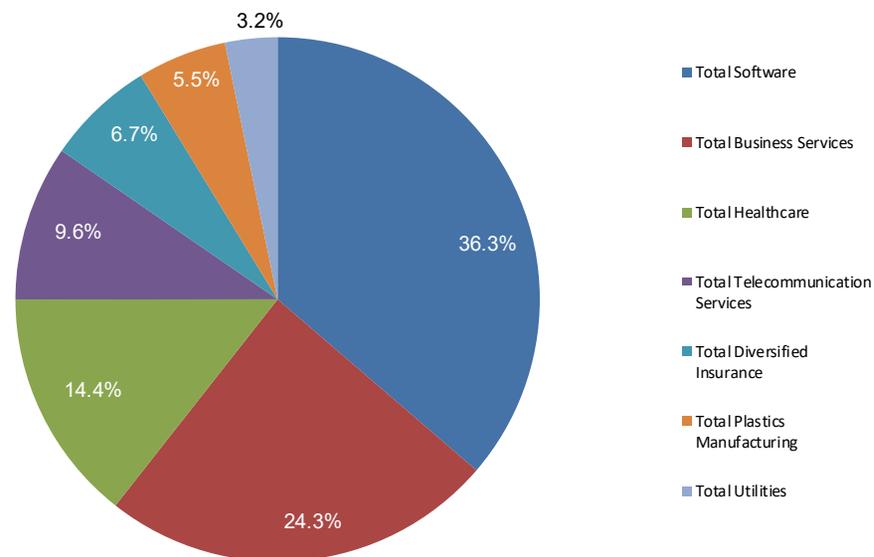
Investment Portfolio

- \$319.7 million portfolio composed of 64 portfolio investments¹
- Average investment by fair value represents 1.6% of total portfolio
- Top 10 portfolio investments by fair value represent 46.0% of total portfolio²
 - Top 3 portfolio investments by fair value represent 7.8%, 5.1%, and 4.8%, respectively, of total portfolio²

Total Investments by Asset Type^{1,3,4,5}



Corporate Loan Portfolio by Industry^{1,6}

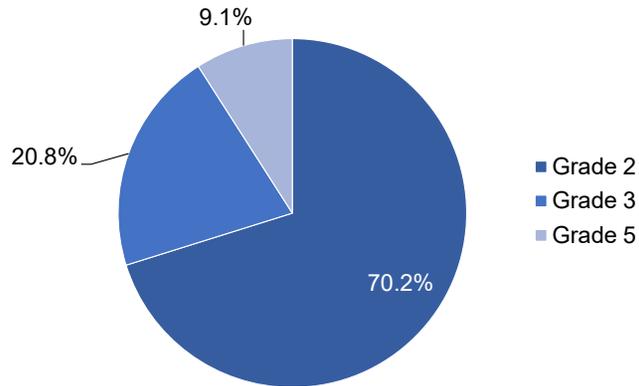


68.4% of OXSQ's investments are in senior secured debt¹

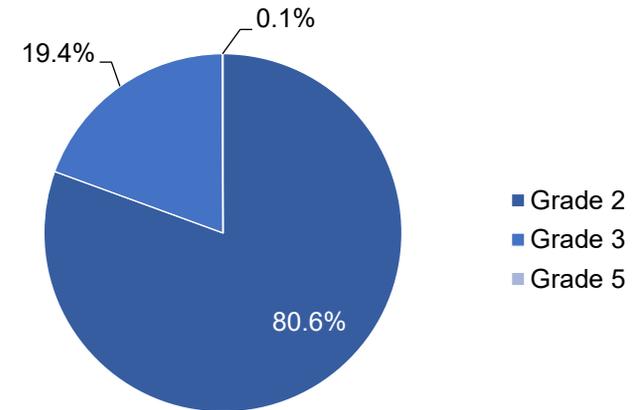
1. At fair value as of 3/31/2023. Totals may not sum due to rounding. Excludes cash and equivalents.
 2. Does not combine different investments in the same company or CLO vehicle.
 3. As a percentage of the total invested portfolio fair value as of quarter end.
 4. "Other" includes common stock and preferred equity.
 5. Assumes a portfolio investment's revolving credit facility is fully funded.
 6. Excludes CLO equity and CLO debt investments.

Portfolio Grading

OXSQ's debt portfolio has a weighted-average credit rating of 2.5 on a principal value basis



OXSQ's debt portfolio has a weighted-average credit rating of 2.2 on a fair value basis



Portfolio Grading	
Grade 1	Company is ahead of expectations and/or outperforming financial covenant requirements of the specific tranche and this trend is expected to continue.
Grade 2	Full repayment of the outstanding amount of OXSQ's cost basis and interest is expected for the specific tranche.
Grade 3	Closer monitoring is required. Full repayment of the outstanding amount of OXSQ's cost basis and interest is expected for the specific tranche.
Grade 4	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.
Grade 5	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.

Investments on Non-Accrual Status

(\$ in millions)

	<u>Q1-23</u>	<u>Q4-22</u>	<u>Q3-22</u>	<u>Q2-22</u>	<u>Q1-22</u>
Non-accrual debt investments at current cost	\$ 23.7	\$ 23.7	\$ 23.7	\$ 23.7	\$ 23.7
Non-accrual preferred equity investments at current cost	\$ 16.2	\$ 16.2	\$ 16.2	\$ 16.2	\$ 16.2
Total non-accrual investments at current cost	\$ 39.8				
Non-accrual debt investments at fair value	\$ 0.1	\$ 0.2	\$ 0.5	\$ 0.5	\$ 1.0
Non-accrual preferred equity investments at fair value	\$ 5.1	\$ 4.3	\$ 2.2	\$ 1.6	\$ 1.0
Total non-accrual investments at fair value	\$ 5.2	\$ 4.5	\$ 2.7	\$ 2.1	\$ 1.9

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

Outstanding Debt

(\$ in thousands)

	Principal Amount Outstanding ¹	Carrying Value ¹	Cost of Debt	Maturity
Unsecured Notes due 2024 (OXSQL)	\$ 64,370	\$ 64,045	6.50%	Mar-24
Unsecured Notes due 2026 (OXSQZ)	\$ 44,791	\$ 44,071	6.25%	Apr-26
Unsecured Notes due 2028 (OXSQG)	\$ 80,500	\$ 78,441	5.50%	Jul-28
Total Debt	\$ 189,661	\$ 186,557		
Total Equity	\$ 139,839			
Debt to Equity		1.36x		

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

1. As of 3/31/2023.

Quarterly Balance Sheet

<i>(\$ in millions, except per share)</i>	<u>3/31/2023</u>	<u>12/31/2022</u>	<u>9/30/2022</u>	<u>6/30/2022</u>	<u>3/31/2022</u>
Assets					
Total investments at fair value	\$ 319.7	\$ 314.7	\$ 340.2	\$ 369.4	\$ 406.2
Cash and cash equivalents	10.8	9.0	14.4	23.2	15.1
Other assets	4.8	4.3	3.4	4.1	3.9
Total assets	\$ 335.2	\$ 328.0	\$ 358.0	\$ 396.7	\$ 425.2
Liabilities and Net Assets					
Debt outstanding at carrying value	\$ 186.6	\$ 186.3	\$ 186.1	\$ 185.8	\$ 185.6
Securities purchased not settled	4.7	-	-	24.7	4.9
Investment advisory and incentive fee payable	2.4	1.3	1.4	1.6	1.6
Interest payable	1.2	1.2	1.2	1.2	1.2
Other liabilities	0.6	0.5	2.8	0.6	0.5
Total liabilities	195.4	189.3	191.5	213.9	193.9
Total net assets	139.8	138.7	166.5	182.8	231.3
Total liabilities and net assets	\$ 335.2	\$ 328.0	\$ 358.0	\$ 396.7	\$ 425.2
Net asset value per share	\$ 2.80	\$ 2.78	\$ 3.34	\$ 3.67	\$ 4.65
Debt (principal amount) to equity	1.36x	1.37x	1.14x	1.04x	0.82x

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				
	3/31/2023	12/31/2022	9/30/2022	6/30/2022	3/31/2022
Investment Income					
Interest income	\$ 8.3	\$ 7.5	\$ 6.8	\$ 5.7	\$ 5.3
Income from securitization vehicles	4.4	4.2	4.4	4.1	4.4
Fee and other income	0.3	0.2	0.2	0.2	0.2
Total investment income	12.9	11.9	11.4	9.9	9.9
Expenses					
Interest and other debt financing expenses	3.1	3.1	3.1	3.1	3.1
Investment advisory fees	1.2	1.3	1.4	1.6	1.6
Net investment income incentive fees	1.2	-	-	-	-
Other operating expenses	1.0	1.0	1.3	0.9	0.9
Total expenses	6.5	5.4	5.8	5.6	5.6
Net investment income	6.5	6.5	5.6	4.3	4.3
Net Gain (Loss) on Investments					
Net change in unrealized depreciation on investments	(0.2)	(29.4)	(16.8)	(46.2)	(13.5)
Net realized gain (loss) on investments	-	0.1	0.1	(1.5)	1.0
Net loss on investments	(0.2)	(29.3)	(16.7)	(47.8)	(12.4)
Net increase (decrease) in net assets resulting from operations	\$ 6.3	\$ (22.8)	\$ (11.1)	\$ (43.4)	\$ (8.2)
Per Share					
GAAP net investment income	\$ 0.13	\$ 0.13	\$ 0.11	\$ 0.09	\$ 0.09
Distributions declared and paid	0.105	0.105	0.105	0.105	0.105
Weighted average common shares outstanding (in millions)	49.9	49.8	49.8	49.7	49.7
Common shares outstanding at end of period (in millions)	49.9	49.8	49.8	49.8	49.7

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

Corporate Information

Board of Directors

Independent

Steven P. Novak - Chairman

Barry Osherow

George Stelljes III

Non-Disinterested

Jonathan H. Cohen

Charles M. Royce

Corporate Offices

8 Sound Shore Drive

Suite 255

Greenwich, CT 06830

Corporate Website

www.oxfordsquarecapital.com

Investor Relations

Bruce L. Rubin

Oxford Square Capital Corp.

Tel: (203) 983-5280

ir.oxfordsquarecapital.com

Fiscal Year End

December 31

Independent Audit Firm

PricewaterhouseCoopers LLP

Corporate Counsel

Dechert LLP

Transfer Agent

Computershare Trust Company, N.A.

Tel: 1-877-498-8861 / www.computershare.com

Securities Listing

Common Stock:

"OXSQ" - NasdaqGS

Notes:

"OXSQL" - NasdaqGS

"OXSQZ" - NasdaqGS

"OXSQG" - NasdaqGS

Executive Corporate Officers

Jonathan H. Cohen

Saul B. Rosenthal

Bruce L. Rubin

Gerald Cummins

Board Member and Chief Executive Officer

President and Chief Operating Officer

Chief Financial Officer

Chief Compliance Officer