
Oxford Square Capital Corp.
Investor Presentation
Quarter Ended June 30, 2018

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These materials and any presentation of which they form a part are neither an offer to sell, nor a solicitation of an offer to purchase, any securities of Oxford Square Capital Corp. (“OXSQ” or the “Company”).

These materials and the presentations of which they are a part, 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 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>	<u>Q2-18</u>	<u>Q1-18</u>	<u>Q4-17</u>	<u>Q3-17</u>	<u>Q2-17</u>
GAAP net investment income ¹	\$ 0.15	\$ 0.17	\$ 0.15	\$ 0.13	\$ 0.16
Core net investment income ^{1,2}	0.18	0.15	0.17	0.13	0.19
Distributions declared and paid	0.20	0.20	0.20	0.20	0.20
Net realized losses (gains) ¹	(0.02)	0.01	(0.02)	(0.06)	-
Net unrealized gains	0.01	0.05	0.19	0.05	0.02
Net increase in net assets resulting from operations	0.14	0.22	0.32	0.12	0.18
Net asset value	7.56	7.60	7.55	7.43	7.51
 <i>(\$ in millions)</i>	 <u>Q2-18</u>	 <u>Q1-18</u>	 <u>Q4-17</u>	 <u>Q3-17</u>	 <u>Q2-17</u>
Total fair value of investments	\$ 452.9	\$ 414.2	\$ 418.4	\$ 421.7	\$ 454.8
Number of portfolio investments	71	61	62	67	67
Net assets	\$ 373.4	\$ 383.8	\$ 388.4	\$ 382.3	\$ 386.6
Debt outstanding at carrying value	\$ 157.5	\$ 62.4	\$ 62.3	\$ 156.8	\$ 227.6
Debt to equity	0.42x	0.16x	0.16x	0.41x	0.59x

Note: Certain figures may not 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.
2. Refer to Appendix for reconciliation of GAAP net investment income to core net investment income.

Summary Portfolio Highlights

Portfolio Activity

(\$ in millions)	<u>Q2-18</u>	<u>Q1-18</u>	<u>Q4-17</u>	<u>Q3-17</u>	<u>Q2-17</u>
New investments	\$ 88.8	\$ 24.7	\$ 40.7	\$ 31.2	\$ 89.3
Exits (including sales and repayments)	43.7	28.0	47.4	62.8	117.5
Net investment activity	\$ 45.1	\$ (3.3)	\$ (6.7)	\$ (31.6)	\$ (28.2)
Weighted average yield of debt investments at current cost ¹	9.7%	9.9%	9.7%	9.5%	9.5%
Weighted average effective yield of CLO equity investments at current cost	14.5%	15.9%	15.6%	15.9%	18.4%
Weighted average yield of total investments at current cost	11.5%	12.6%	12.3%	12.5%	13.7%
Weighted average cash distribution yield of debt investments at current cost ²	8.9%	9.1%	9.1%	8.6%	8.7%
Weighted average cash distribution yield of cash income producing CLO equity investments at current cost	18.0%	15.5%	20.2%	17.5%	25.6%
Weighted average cash yield of cash income producing securities at current cost	12.5%	11.4%	13.5%	12.6%	15.8%

Total Investments by Asset Type³

	<u>Q2-18</u>	<u>Q1-18</u>	<u>Q4-17</u>	<u>Q3-17</u>	<u>Q2-17</u>
First-lien secured debt	26%	28%	28%	27%	31%
Second-lien secured debt	37%	30%	30%	28%	26%
CLO equity	32%	37%	37%	41%	39%
CLO debt	1%	1%	1%	1%	1%
Other ⁴	4%	4%	4%	3%	3%

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. "Other" includes subordinated notes, common stock, and preferred equity.

CLO Equity Investment Highlights

<i>(\$ in millions)</i>	<u>Q2-18</u>	<u>Q1-18</u>	<u>Q4-17</u>	<u>Q3-17</u>	<u>Q2-17</u>
Cash income producing CLO equity at original cost ¹	\$ 170.1	\$ 177.5	\$ 197.7	\$ 247.5	\$ 239.9
Non-cash income producing CLO equity at original cost ²	4.5	-	-	16.4	39.1
Total CLO Equity	<u>\$ 174.6</u>	<u>\$ 177.5</u>	<u>\$ 197.7</u>	<u>\$ 263.9</u>	<u>\$ 279.0</u>

Breakdown of Non-cash Income Producing CLO Equity as of June 30, 2018²

<i>(\$ in millions)</i>	
Inaugural distribution payment by Q3-18	\$ 4.5
Inaugural distribution payment by Q4-18	-
Total non-cash income producing CLO equity at cost	<u>\$ 4.5</u>

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

1. Includes CLO equity investments which made a distribution payment to OXSQ during the quarter but were fully or partially sold before quarter end.
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 June 30, 2018

CLO Equity Positions	CLO Vintage Year ¹	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 Equity Position #1	2014	CLO Equity	Callable	January-18	1.15%	1.84%	0.82%	3.16%	2929	64	4.09
CLO Equity Position #2	2014	CLO Equity	Callable	July-18	1.40%	2.76%	1.46%	3.14%	2690	78	4.91
CLO Equity Position #3	2016	CLO Equity	Callable	July-18	0.92%	2.76%	1.78%	3.57%	2893	51	4.28
CLO Equity Position #4	2014	CLO Equity	Callable	July-18	0.95%	2.90%	2.40%	3.43%	2752	77	4.45
CLO Equity Position #5	2013	CLO Equity	Callable	October-18	1.22%	1.20%	0.27%	3.41%	2937	68	4.35
CLO Equity Position #6	2015	CLO Equity	Callable	October-18	1.16%	2.26%	1.26%	3.24%	2815	88	4.97
CLO Equity Position #7	2013	CLO Equity	Callable	January-19	1.22%	0.74%	0.46%	3.47%	2895	76	4.67
CLO Equity Position #8	2013	CLO Equity	Callable	January-21	1.52%	5.69%	4.57%	3.63%	2852	70	5.31
CLO Equity Position #9	2018	CLO Equity	Callable	July-19	1.30%	2.75%	2.32%	3.90%	2822	58	4.68
CLO Equity Position #10	2016	CLO Equity	October-18	February-21	1.47%	4.20%	3.20%	3.19%	2893	80	5.12
CLO Equity Position #11	2014	CLO Equity	October-18	October-20	1.49%	4.26%	3.24%	3.65%	2647	105	5.35
CLO Equity Position #12	2014	CLO Equity	January-19	January-19	1.45%	2.24%	2.10%	3.57%	3016	72	4.66
CLO Equity Position #13	2013	CLO Equity	January-19	January-21	0.89%	4.45%	4.02%	3.45%	2911	71	4.81
CLO Equity Position #14	2013	CLO Equity	April-19	April-20	0.88%	4.26%	4.60%	3.68%	2856	112	5.02
CLO Equity Position #15	2013	CLO Equity	April-19	April-20	0.99%	3.25%	2.36%	4.01%	NA	61	4.62
CLO Equity Position #16	2014	CLO Equity	April-19	April-22	1.07%	5.40%	4.17%	3.66%	2770	75	5.09
CLO Equity Position #17	2013	CLO Equity	June-19	June-21	1.23%	4.39%	3.39%	3.21%	2789	NA	4.95
CLO Equity Position #18	2012	CLO Equity	July-19	July-21	1.37%	4.27%	3.73%	4.08%	2877	91	5.21
CLO Equity Position #19	2016	CLO Equity	July-19	July-21	1.55%	5.86%	5.35%	3.72%	2699	75	5.02
CLO Equity Position #20	2014	CLO Equity	August-19	August-21	1.25%	2.61%	1.61%	3.69%	2794	106	4.74
CLO Equity Position #21	2014	CLO Equity	October-19	October-21	1.53%	3.04%	2.71%	4.92%	3714	60	3.99
CLO Equity Position #22	2013	CLO Equity	November-19	November-22	1.20%	4.21%	3.15%	3.17%	2900	89	4.65
CLO Equity Position #23	2013	CLO Equity	January-20	January-22	1.24%	4.83%	3.83%	4.02%	2832	61	4.65
CLO Equity Position #24	2012	CLO Equity	April-20	April-23	1.01%	4.58%	3.51%	3.02%	2607	83	4.12
Subtotal (Fair Value)	\$144,005,393			Oct-20²	1.23%²	3.85%²	3.10%²	3.69%²	2880^{2,3}	73²	4.75²
CLO Debt Positions	CLO Vintage Year ¹	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	2014	CLO Debt	Callable	January-19	1.22%	0.74%	0.46%	3.47%	2895	75	4.69
CLO Debt Position #2	2018	CLO Debt	July-20	July-23	1.08%	2.76%	4.01%	3.16%	NA	NA	NA
Subtotal (Fair Value)	\$4,438,000			Dec-19²	1.19%²	1.16%²	1.20%²	3.41%²	2895³	75²	4.69²
Total (Fair Value)	\$148,443,393⁴			Sept-20²							

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 2880 and 2895, 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).

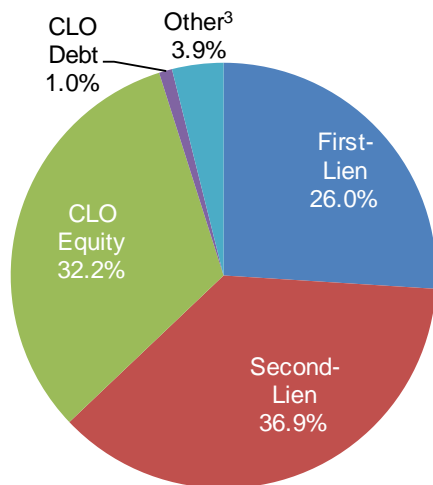
4. Excludes called deals and CLO equity side letter related investments.

* Source: As reported by Intex.

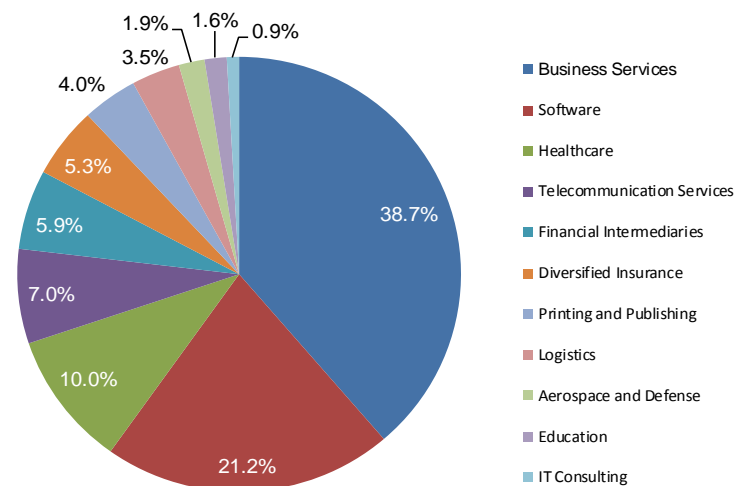
Investment Portfolio

- \$452.9 million portfolio composed of 71 unique investments¹
- Average investment by fair value represents 1.4% of total portfolio
- Top 10 unique investments by fair value represent 33.6% of total portfolio²

Total Investments by Asset Type¹



Corporate Loan Portfolio by Industry^{1,4}

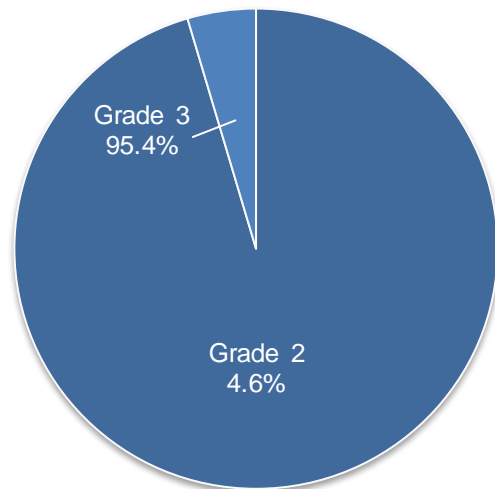


62.9% of OXSQ's investments are in senior secured debt¹

1. At fair value as of 6/30/18. 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: subordinated notes, 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 2.0¹



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.

1. At fair value as of 6/30/18.

Outstanding Debt

(\$ in thousands)

	Principal Amount ¹	Carrying Value ¹	Cost of Debt	Maturity
Unsecured Notes due 2024	\$ 64,370	\$ 62,501	6.50%	Mar-24
Credit Facility	\$ 95,193	\$ 94,984	L + 2.25% ²	Jun-20
Total Debt	\$ 159,563	\$ 157,485		
Total Equity		\$ 373,408		
Debt to Equity		0.42x		

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

1. As of 6/30/18.

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

Quarterly Balance Sheet

(\$ in millions)	As of				
	<u>6/30/2018</u>	<u>3/31/2018</u>	<u>12/31/2017</u>	<u>9/30/2017</u>	<u>6/30/2017</u>
Assets					
Total investments at fair value	\$ 452.9	\$ 414.2	\$ 418.4	\$ 421.7	\$ 454.8
Cash and cash equivalents	124.2	48.8	30.0	119.6	88.8
Restricted cash	1.9	-	-	-	61.1
Securities sold not settled	-	1.7	-	3.0	10.2
Other assets	4.5	3.4	5.7	6.1	8.3
Total Assets	\$ 583.5	\$ 468.1	\$ 454.1	\$ 550.4	\$ 623.2
Liabilities and Net Assets					
Debt	\$ 157.5	\$ 62.4	\$ 62.3	\$ 156.8	\$ 227.6
Securities purchased not settled	49.4	18.6	-	5.0	3.0
Investment advisory and incentive fee payable	2.6	2.7	2.7	2.6	3.4
Interest payable	-	-	-	3.0	1.6
Other liabilities	0.6	0.5	0.7	0.7	1.0
Total Liabilities	\$ 210.1	\$ 84.2	\$ 65.7	\$ 168.1	\$ 236.6
Total Net Assets	\$ 373.4	\$ 383.8	\$ 388.4	\$ 382.3	\$ 386.6
Total Liabilities and Net Assets	\$ 583.5	\$ 468.1	\$ 454.1	\$ 550.4	\$ 623.2
Net Asset Value per Share	\$ 7.56	\$ 7.60	\$ 7.55	\$ 7.43	\$ 7.51
Debt to Equity	0.42x	0.16x	0.16x	0.41x	0.59x

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

Quarterly Income Statement

(\$ in millions, except per share)	For the three months ended				
	6/30/2018	3/31/2018	12/31/2017	9/30/2017	6/30/2017
Investment Income					
Interest income	\$ 5.9	\$ 5.9	\$ 5.6	\$ 5.4	\$ 6.8
Income from Securitization Vehicles	6.1	6.8	7.2	8.1	9.4
Fee and other income	0.5	0.6	0.6	1.0	0.8
Total Investment Income	\$ 12.5	\$ 13.3	\$ 13.4	\$ 14.5	\$ 17.0
Expenses					
Interest and other debt financing expenses ¹	1.3	1.1	1.8	3.7	4.1
Investment advisory fees	1.7	1.7	1.7	2.0	2.2
Net investment income incentive fees	0.8	1.0	1.0	0.6	1.2
Other operating expenses	1.0	0.8	1.3	1.4	1.5
Total Expenses ¹	4.8	4.6	5.8	7.7	9.0
Net Investment Income ¹	\$ 7.7	\$ 8.7	\$ 7.6	\$ 6.8	\$ 8.0
Net Loss (Gain) on Investments					
Net change in unrealized appreciation on investments	0.3	2.5	9.8	2.6	1.0
Net realized loss (gain) on investments	(1.0)	0.3	(1.0)	(1.1)	0.5
Net loss (gain) on investments	(0.8)	2.8	8.8	1.4	1.6
Extinguishment of debt	-	-	-	(2.2)	(0.5)
Net increase in Net Assets resulting from operations	\$ 6.9	\$ 11.5	\$ 16.4	\$ 6.0	\$ 9.1
Per Share					
GAAP net investment income ¹	\$ 0.15	\$ 0.17	\$ 0.15	\$ 0.13	\$ 0.16
Core net investment income ^{1,2}	\$ 0.18	\$ 0.15	\$ 0.17	\$ 0.13	\$ 0.19
Distributions declared and paid	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20
Weighted average common shares outstanding (in millions)	50.1	51.2	51.5	51.5	51.5
Common shares outstanding at end of period (in millions)	49.4	50.5	51.5	51.5	51.5

Note: Certain numbers may not 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.

2. Refer to Appendix for reconciliation of GAAP net investment income to core net investment income.

APPENDIX

Reconciliation of Core Net Investment Income

On a supplemental basis, we provide information relating to core net investment income, which is a non-GAAP measure. This measure is provided in addition to, but not as a substitute for, net investment income determined in accordance with GAAP. Our non-GAAP measures may differ from similar measures by other companies, even if similar terms are used to identify such measures. Core net investment income represents net investment income adjusted for additional cash distributions received, or entitled to be received (if any, in either case), on our CLO equity investments (excluding those cash distributions believed to represent a return of capital) and also excludes any capital gains incentive fees we recognize but have no obligation to pay in any period. The Company did not recognize any capital gains incentive fees for the quarter ended June 30, 2018.

Income from investments in the “equity” class securities of CLO vehicles, for GAAP purposes, is recorded using the effective interest method based upon an effective yield to the expected redemption utilizing estimated cash flows compared to the cost, resulting in an effective yield for the investment; the difference between the actual cash received or distributions entitled to be received and the effective yield calculation is an adjustment to cost. Accordingly, investment income recognized on CLO equity securities in the GAAP statement of operations differs from the cash distributions actually received by us during the period (referred to below as “CLO equity adjustments”).

Further, in order to continue to qualify to be taxed as a regulated investment company (“RIC”), we are required, among other things, to distribute at least 90% of our investment company taxable income annually. Therefore, core net investment income may provide a better indication of estimated taxable income for a reporting period than does GAAP net investment income, although we can offer no assurance that will be the case as the ultimate tax character of our earnings cannot be determined until tax returns are prepared after the end of a fiscal year. We note that these non-GAAP measures may not be useful indicators of taxable earnings, particularly during periods of market disruption and volatility and our taxable income may differ materially from our core net investment income.

(\$ in millions, except per share)	For the three months ended									
	6/30/2018		3/31/2018		12/31/2017		9/30/2017		6/30/2017	
	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share	Amount	Per Share
GAAP Net investment income ¹	\$ 7.7	\$ 0.154	\$ 8.7	\$ 0.170	\$ 7.6	\$ 0.148	\$ 6.8	\$ 0.131	\$ 8.0	\$ 0.156
CLO equity adjustments	1.4	0.028	(1.1)	(0.022)	1.3	0.026	0.0	0.001	1.7	0.034
Core net investment income ¹	\$ 9.1	\$ 0.182	\$ 7.6	\$ 0.148	\$ 9.0	\$ 0.174	\$ 6.8	\$ 0.132	\$ 9.8	\$ 0.190

Note: Certain numbers may not 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

Board of Directors

Independent

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

Interested

Charles M. Royce
Jonathan H. Cohen

Corporate Offices

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Corporate Website

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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

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