

REFINITIV

# DELTA REPORT

## 10-K

OXFORD SQUARE CAPITAL COR

10-K - DECEMBER 31, 2023 COMPARED TO 10-K - DECEMBER 31, 2022

The following comparison report has been automatically generated

TOTAL DELTAS 3504

■ CHANGES 467

■ DELETIONS 1538

■ ADDITIONS 1499

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022 2023

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

COMMISSION FILE NUMBER: 814-00638

**OXFORD SQUARE CAPITAL CORP.**

(Exact name of registrant as specified in its charter)

Maryland

20-0188736

(State of Incorporation)

(I.R.S. Employer Identification Number)

8 Sound Shore Drive, Suite 255

Greenwich, CT 06830

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (203) 983-5275

Securities registered pursuant to Section 12(b) of the Act:

Name of Each Exchange On Which

Registered

Title of Each Class	Trading Symbol(s)	Name of Each Exchange On Which Registered
Common Stock, par value \$0.01 per share	OXSQ	NASDAQ Global Select Market LLC
6.50% Notes due 2024	OXSQ	NASDAQ Global Select Market LLC
6.25% Notes due 2026	OXSQZ	NASDAQ Global Select Market LLC
5.50% Notes due 2028	OXSQG	NASDAQ Global Select Market LLC

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No .

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No .

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No .

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (\$232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No .

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 USC. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes  No

The aggregate market value of common stock held by non-affiliates of the Registrant on **June 30, 2022** **June 30, 2023**, based on the closing price on that date of **\$3.64** **\$2.65** on the NASDAQ Global Select Market, was **\$163,499,514** **\$132,152,256**. For the purposes of calculating this amount only, all directors and executive officers of the Registrant have been treated as affiliates. There were **49,871,062** **59,672,337** shares of the Registrant's common stock outstanding as of **March 17, 2023** **March 14, 2024**.

---

---

OXFORD SQUARE CAPITAL CORP.

FORM 10-K FOR THE FISCAL YEAR

ENDED DECEMBER 31, **2022** **2023**

TABLE OF CONTENTS

	Page
<b>PART I</b>	
ITEM 1. <a href="#">BUSINESS</a>	1
ITEM 1A. <a href="#">RISK FACTORS</a>	<b>25</b> <b>26</b>
ITEM 1B. <a href="#">UNRESOLVED STAFF COMMENTS</a>	<b>58</b> <b>57</b>
<b>ITEM 1C. <a href="#">CYBSERSECURITY</a></b>	<b>57</b>
ITEM 2. <a href="#">PROPERTIES</a>	<b>58</b> <b>59</b>
ITEM 3. <a href="#">LEGAL PROCEEDINGS</a>	<b>58</b> <b>59</b>
ITEM 4. <a href="#">MINE SAFETY DISCLOSURES</a>	<b>58</b> <b>59</b>
<b>PART II</b>	
ITEM 5. <a href="#">MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES</a>	<b>59</b> <b>60</b>
ITEM 6. <a href="#">[RESERVED]</a>	<b>63</b> <b>64</b>
ITEM 7. <a href="#">MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</a>	<b>63</b> <b>64</b>
ITEM 7A. <a href="#">QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</a>	81
ITEM 8. <a href="#">FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA</a>	F-1
ITEM 9. <a href="#">CHANGES IN AND DISAGREEMENTS WITH INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON ACCOUNTING AND FINANCIAL DISCLOSURE</a>	83
ITEM 9A. <a href="#">CONTROLS AND PROCEDURES</a>	83
ITEM 9B. <a href="#">OTHER INFORMATION</a>	83
ITEM 9C. <a href="#">DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS</a>	83
<b>PART III</b>	

ITEM 10.	<a href="#"><u>DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE</u></a>	84
ITEM 11.	<a href="#"><u>EXECUTIVE COMPENSATION</u></a>	87
ITEM 12.	<a href="#"><u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS</u></a>	88 89
ITEM 13.	<a href="#"><u>CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE</u></a>	90
ITEM 14.	<a href="#"><u>PRINCIPAL ACCOUNTANT FEES AND SERVICES</u></a>	92
<b>PART IV</b>		
ITEM 15.	<a href="#"><u>EXHIBITS AND FINANCIAL STATEMENT SCHEDULES</u></a>	93
ITEM 16.	<a href="#"><u>FORM 10-K SUMMARY</u></a>	95
<a href="#"><u>SIGNATURES</u></a>		96

## PART I

### Item 1. Business

Oxford Square Capital Corp. ("OXSQ," "Company," "we," "us," or "our") is a closed-end, non-diversified management investment company that has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). We have elected to be treated for U.S. federal income tax purposes as a regulated investment company ("RIC") under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code") beginning with our 2003 taxable year. Our investment objective is to maximize our portfolio's total return. Our primary current focus is to seek an attractive risk-adjusted total return by investing primarily in corporate debt securities and collateralized loan obligation ("CLO") structured finance investments that own corporate debt securities. CLO investments may also include warehouse facilities, which are early-stage CLO vehicles intended to aggregate loans that may be used to form the basis of a traditional CLO vehicle. We may also invest in publicly traded debt and/or equity securities. As a BDC, we may not acquire any asset other than "qualifying assets" unless, at the time we make the acquisition, the value of our qualifying assets represents at least 70% of the value of our total assets.

Our capital is generally used by our corporate borrowers to finance organic growth, acquisitions, recapitalizations and working capital. Our investment decisions are based on extensive analysis of potential portfolio companies' business operations supported by an in-depth understanding of the quality of their recurring revenues and cash flow, variability of costs and the inherent value of their assets, including proprietary intangible assets and intellectual property. In making our CLO investments, we consider the indenture structure for that vehicle, its operating characteristics and compliance with its various indenture provisions, as well as its corporate loan-based collateral pool.

We generally expect to invest between \$5.0 million and \$50.0 million in each of our portfolio investments, although this investment size may vary as the size of our capital base changes and market conditions warrant. We invest in both fixed and variable interest rate structures. We expect that our investment portfolio will be diversified among a large number of investments with few investments, if any, exceeding 5% of the total portfolio.

The structures of our investments will vary and we seek to invest across a wide range of different industries. We seek to invest in entities that, as a general matter, have been operating for at least one year prior to the date of our investment and that will, at the time of our investment, have employees and revenues, and which are cash flow positive. Many of these companies are expected to have financial backing provided by other financial or strategic sponsors at the time we make an investment. The portfolio companies in which we invest, however, will generally be considered below investment grade, and their debt securities may in turn be referred to as "junk." A portion of our investment portfolio may consist of debt investments for which issuers are not required to make significant principal payments until the maturity of the senior loans, which could result in a substantial loss to us if such issuers are unable to refinance or repay their debt at maturity. In addition, many of the debt securities we hold typically contain interest reset provisions that may make it more difficult for a borrower to repay the loan, heightening the risk that we may lose all or part of our investment.

We also purchase portions of equity and junior debt tranches of CLO vehicles. Substantially all of the CLO vehicles in which we may invest would be deemed to be investment companies under the 1940 Act but for the exceptions set forth in section 3(c)(1) or section 3(c)(7). **Other than CLO vehicles, we do not intend to invest, and we would be limited to 15% of our net assets if we did invest, in any types of entities that rely on the exceptions set forth in section 3(c)(1) or section 3(c)(7) of the 1940 Act.** Structurally, CLO vehicles are entities **that are formed to originate and and/or acquire a portfolio of loans.** The loans within the CLO vehicle are limited to loans which meet established credit criteria and are subject to concentration limitations in order to limit a CLO vehicle's exposure

to a single credit. A CLO vehicle is formed by raising various classes or "tranches" of debt (with the most senior tranches being rated "AAA" to the most junior tranches typically being rated "BB" or "B") and equity. The tranches of CLO vehicles rated "BB" or "B" may be referred to as "junk." The equity of a CLO vehicle is generally required to absorb the CLO's losses before any of the CLO's other tranches, yet it also has the lowest level of payment priority among the CLO's tranches; therefore, the equity is typically the riskiest of CLO investments which, if it were rated, may also be referred to as "junk." We primarily focus on investing in the junior tranches and the equity of CLO vehicles. The CLO vehicles which we focus on are collateralized primarily by senior secured loans made to companies whose debt is unrated or is rated below investment grade, or "Senior Loans," and, to a limited extent, subordinated and/or unsecured loans and bonds (together with the Senior Loans, the "CLO Assets"). CLOs generally

---

1

have very little or no direct exposure to real estate, mortgage loans or to pools of consumer-based debt, such as credit card receivables or auto loans. However, there can be no assurance that Below investment grade securities, such as the collateral securing CLO securities in which we primarily intend to invest, are often referred to as "junk." In addition, the CLO equity and junior debt securities in which we invest are highly levered (with CLO equity securities typically being leveraged between nine and thirteen times), which significantly magnifies our risk of loss on such investments relative to senior secured debt tranches

---

1

of CLOs. A CLO itself is highly leveraged because it borrows significant amounts of money to acquire the underlying commercial loans would satisfy all in which it invests. A CLO borrows money by issuing debt securities to investors (including junior debt securities of the unpaid principal type we intend to invest), and interest of our investment in the CLO vehicle in equity (which is also the event of default and CLO residual tranche) is the junior tranches, especially first to bear the equity tranches, of CLO vehicles are risk on the last tranches to be paid, if at all, in the event of a default, underlying investment. Our investment strategy may also include includes warehouse facilities, which are early stage CLO vehicles financing structures intended to aggregate loans that may be used to form the basis of a traditional CLO vehicle.

Warehouse facilities typically incur leverage between four and six times prior to a CLO's pricing. We have historically borrowed funds to make investments and may continue to do so. As a result, we are exposed to the risks of leverage, which may be considered a speculative investment technique. Borrowings, also known as leverage, magnify the potential for gain and loss on amounts invested and therefore increase the risks associated with investing in our securities. In addition, the costs associated with our borrowings, including any increase in the advisory fee payable to our investment adviser, Oxford Square Management, LLC ("Oxford Square Management"), will be borne by our common stockholders.

#### **6.50% Unsecured Notes**

On April 12, 2017, we completed an underwritten public offering of approximately \$64.4 million in aggregate principal amount of our 6.50% unsecured notes due 2024, or the "6.50% Unsecured Notes." On July 24, 2023, the Company redeemed \$40.0 million in aggregate principal amount of the 6.50% Unsecured Notes. On September 11, 2023, the Company redeemed \$10.0 million in aggregate principal amount of the 6.50% Unsecured Notes. On November 3, 2023, the Company redeemed \$7.0 million in aggregate principal amount of the 6.50% Unsecured Notes. On December 21, 2023, the Company redeemed the remaining \$7.4 million aggregate principal amount of 6.50% Unsecured Notes. For all redemptions, the notes were fully repaid at par. In connection with the December 21, 2023 redemption, the 6.50% Unsecured Notes were delisted from the NASDAQ Global Select Market. The 6.50% Unsecured Notes will mature would have matured on March 30, 2024, and may currently be redeemed were redeemable in whole or in part at any time or from time to time at our option (on or after March 30, 2020). The 6.50% Unsecured Notes bear bore interest at a rate of 6.50% per year payable quarterly on March 30, June 30, September 30, and December 30 of each year. The 6.50% Unsecured Notes are were listed on the NASDAQ Global Select Market under the trading symbol "OXSQZ."

#### **6.25% Unsecured Notes**

On April 3, 2019, we completed an underwritten public offering of approximately \$44.8 million in aggregate principal amount of our 6.25% unsecured notes due 2026, or the "6.25% Unsecured Notes." The 6.25% Unsecured Notes will mature on April 30, 2026, and may be redeemed in whole or in part at any time or from time to time at our option (on or after April 30, 2022). The 6.25% Unsecured Notes bear interest at a rate of 6.25% per year payable quarterly on January 31, April 30, July 31, and October 31 of each year. The 6.25% Unsecured Notes are listed on the NASDAQ Global Select Market under the trading symbol "OXSQZ."

#### **5.50% Unsecured Notes**

On May 20, 2021, we completed an underwritten public offering of approximately \$80.5 million in aggregate principal amount of 5.50% unsecured notes due 2028, or the "5.50% Unsecured Notes." The 5.50% Unsecured Notes will mature on July 31, 2028, and may be redeemed in whole or in part at any time or from time to time at our option (on or after May 31, 2024). The 5.50% Unsecured Notes bear interest at a rate of 5.50% per year payable quarterly on January 31, April 30, July 31, and October 31, of each year. The 5.50% Unsecured Notes are listed on the NASDAQ Global Select Market under the trading symbol "OXSQG."

#### **Rights Offering**

On June 22, 2023, we completed a transferable rights offering, issuing approximately 6.5 million shares of our common stock at a subscription price of \$2.66 per share. Total proceeds, net of underwriting and offering costs, were approximately \$16.0 million. Approximately 1.7 million shares of our common stock were purchased in the rights offering by affiliates of Oxford Square Management.

---

2

#### **ATM Offering**

On August 1, 2019, August 22, 2023, we entered into an Amendment No. 1 to the Equity Distribution Agreement dated August 1, 2019 with Ladenburg Thalmann & Co. through which we may offer for sale, from time to time, up to \$150.0 million of our common stock through an At-the-Market ("ATM") offering. We did not sell any sold a total of 2,695,388 shares of common stock pursuant to the ATM offering during the year ended December 31, 2022. December 31, 2023. The total amount of capital raised net of underwriting fees and offering costs was approximately \$8.0 million during the year ended December 31, 2023.

#### **Organizational and Regulatory Structure**

Our investment activities are managed by Oxford Square Management. Oxford Square Management is an investment adviser registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Oxford Square Management is owned by Oxford Funds, LLC ("Oxford Funds"), its managing member, and Charles M. Royce, a member of our Board of Directors (the "Board") who holds a minority, non-controlling interest in Oxford Square Management. Jonathan H. Cohen, our Chief Executive Officer, and Saul B. Rosenthal, our President and Chief Operating Officer, directly or indirectly own or control all of the outstanding equity interests

---

2

of Oxford Funds. Under the investment advisory agreement, we have agreed to pay Oxford Square Management an annual base advisory fee based on our gross assets as well as an incentive fee based on our performance. Refer to "— Investment Advisory Agreement". Agreement."

We were founded in July 2003 and completed an initial public offering of shares of our common stock in November 2003. We are a Maryland corporation and a closed-end, non-diversified management investment company that has elected to be regulated as a BDC under the 1940 Act. As a BDC, we are required to meet certain regulatory tests, including the requirement to invest at least 70% of our total assets in eligible portfolio companies. Refer to "— Regulation as a Business Development Company." In addition, we have elected to be treated for U.S. federal income tax purposes, and intend to qualify annually, as a RIC under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code").

Set forth below is a chart detailing our organizational structure.

Our headquarters are located at 8 Sound Shore Drive, Suite 255, Greenwich, Connecticut and our telephone number is (203) 983-5275.

We file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission ("SEC"). This information is available on our website at <http://oxfordsquarecapital.com/>. The information we file with the SEC is available free of charge by contacting us at 8 Sound Shore Drive, Suite 255, Greenwich, CT 06830 or by telephone at (203) 983-5275. The SEC also maintains a website that contains reports, proxy statements and other information regarding registrants, including us, that file such information electronically with the SEC. The address of the SEC's website is <http://www.sec.gov>. Information contained on our website or on the SEC's website about us is not incorporated into this report and you should not consider information contained on our website or on the SEC's website to be part of this report.

---

3

#### **MARKET OVERVIEW AND OPPORTUNITY**

The broader corporate loan and CLO equity markets were volatile in 2022. Significant weakness during the first half of 2022 was followed by a small improvement during the second half of 2022. During the first half of 2022, the S&P/LSTA Leveraged Loan Index decreased from a price of 98.64% at the end of December 2021 to 92.16% at the end of June 2022. During this period, lower credit quality loans underperformed higher credit quality loans. displayed strength throughout 2023. The S&P/LSTA Leveraged Loan Index ended the year at increased from a price of 92.44%, with at the end of December 2022 to 96.21% at the end of December 2023. During 2023, lower credit quality loans continuing to underperform outperformed higher credit quality loans during the second half of 2022. loans. For the full year, BB rated loan prices decreased 1.66% increased 2.03%, B rated loan prices decreased 6.58% increased 5.82%, and CCC rated loan prices decreased 19.01% increased 7.71%. We believe that the loan market's performance during 2022 2023 was driven by lower primary market issuance resulting in higher demand for existing loans in the secondary market somewhat offset by macroeconomic uncertainty, as well as significant higher interest rates, investment outflows from the loan asset class, and moderately lower issuance in the CLO asset classes. class. Moreover, loan market credit quality deteriorated during 2022 2023 as exhibited by an increase in default rates to 1.53% at the end of 2023 versus 0.72% at the end of 2022 versus 0.29% at the end of 2021. 2022. This environment presented corporate loan and CLO managers with the opportunity to buy performing assets in the primary and secondary loan markets with sufficient risk adjusted returns, ultimately accruing to the benefit of loan and CLO investments. Additionally, as we execute our corporate loan strategy of focusing primarily on small to medium size broadly syndicated loans, narrowly syndicated loans and private deals, through purchases in both the primary and secondary markets, we remain mindful of maintaining overall portfolio liquidity. We believe this strategy allows us to maintain corporate debt investments which have sufficient liquidity in order to take advantage of market opportunities.

3

## COMPETITIVE ADVANTAGES

We believe that we are well positioned to provide financing to corporate borrowers and structured finance vehicles that, in turn, provide capital to corporate borrowers for the following reasons:

- Expertise in credit analysis and monitoring investments; and
- Established transaction sourcing network.

### ***Expertise in credit analysis and monitoring investments***

While our investment focus is on middle-market companies, we have invested, and in the future will likely continue to invest, in larger and smaller companies and in other investment structures on an opportunistic basis, including CLO investment vehicles. We believe our experience in analyzing middle-market companies and CLO investment structures, as detailed in the biographies of Oxford Square Management's senior investment professionals, affords us a sustainable competitive advantage over lenders with limited experience in investing in these markets. In particular, we have expertise in evaluating the investment merits of middle-market companies as well as the structural features of CLO investments, and monitoring the credit risk of such investments after closing until full repayment.

- Jonathan H. Cohen, our Chief Executive Officer, has more than 25 years of experience in debt and equity research and investment. Mr. Cohen has also served as Chief Executive Officer and a Director of Oxford Lane Capital Corp. (NasdaqGS: OXLC), a registered closed-end fund, and as Chief Executive Officer of its investment adviser, Oxford Lane Management, LLC, or "Oxford Lane Management," since 2010. Since 2015 and 2018, respectively, Mr. Cohen has also served as Chief Executive Officer of Oxford Gate Management, LLC, or "Oxford Gate Management," the investment adviser to Oxford Gate Master Fund, LLC, Oxford Gate, LLC and Oxford Gate (Bermuda), LLC (collectively, the "Oxford Gate Funds"), and Oxford Bridge II, LLC. Oxford Bridge II, LLC and the Oxford Gate Funds are private investment funds. Since 2023, Mr. Cohen has also served as Chief Executive Officer of Oxford Park Income Fund, Inc., a non-diversified closed-end management investment company, and its investment adviser, Oxford Park Management, LLC, or "Oxford Park Management". Previously, Mr. Cohen managed technology equity research groups at Wit Capital, Merrill Lynch, UBS and Smith Barney. Mr. Cohen is a member of the Board of Trustees of Connecticut College. Mr. Cohen received a B.A. in Economics from Connecticut College and an M.B.A. from Columbia University.
- Saul B. Rosenthal, our President and Chief Operating Officer, has more than 20 years of experience in the capital markets, with a focus on middle-market transactions. In addition, Mr. Rosenthal has served as President and a Director of Oxford Lane Capital Corp. (NasdaqGS: OXLC), a registered closed-end fund, and as President of Oxford Lane Management, since 2010. Mr. Rosenthal has also served as President of Oxford Gate Management, the investment adviser to the Oxford Gate Funds and

4

Oxford Bridge II, LLC, since 2015 and 2018, respectively. Since 2023, Mr. Rosenthal has also served as President of Oxford Park Income Fund, Inc., a non-diversified closed-end management investment company, and its investment adviser, Oxford Park Management. Mr. Rosenthal was previously

an attorney at the law firm of Shearman & Sterling LLP. Mr. Rosenthal serves on the board of the National Museum of Mathematics. Mr. Rosenthal received a B.S., magna cum laude, from the Wharton School of the University of Pennsylvania, a J.D. from Columbia University Law School, where he was a Harlan Fiske Stone Scholar, and a LL.M. (Taxation) from New York University School of Law.

- Joseph Kupka is a Managing Director of Oxford Square Management, and also holds the same position at Oxford Lane Management, the investment adviser to Oxford Lane Capital Corp. **and** Oxford Gate Management, **LLC**, the investment adviser to the Oxford Gate Funds and Oxford Bridge II, **LLC**, **LLC**, and Oxford Park Management, the investment adviser to Oxford Park Income Fund, **Inc**. Previously, he worked as a risk analyst for First Equity Card Corporation. Mr. Kupka received a B.S. in Mechanical Engineering from the University of Pennsylvania, where he was the Abel and Bernstein Class of 1945 Scholarship Recipient.
- Kevin Yonon is a Managing Director of Oxford Square Management, and also holds the same position at Oxford Lane Management, the investment adviser to Oxford Lane Capital Corp., **and** Oxford Gate Management, the investment adviser to the Oxford Gate Funds and Oxford Bridge II, **LLC**, **LLC**, and Oxford Park Management, the investment adviser to Oxford Park Income Fund, **Inc**. Previously, Mr. Yonon was an Associate at Deutsche Bank Securities and prior to that he was an Analyst at Blackstone Mezzanine Partners. Before joining Blackstone, he worked as an Analyst at Merrill Lynch in the Mergers & Acquisitions group. Mr. Yonon received a B.S. in Economics with concentrations in Finance and Accounting from the Wharton School at the University of Pennsylvania, where he graduated magna cum laude, and an M.B.A. from the Harvard Business School.

---

4

#### **Established deal sourcing network**

Through the investment professionals of Oxford Square Management, we have extensive contacts and sources from which to generate investment opportunities. These contacts and sources include private equity funds, companies, brokers and bankers. We believe that senior professionals of Oxford Square Management have developed strong relationships within the investment community over their years within the banking, investment management and equity research fields.

#### **INVESTMENT PROCESS**

##### ***Identification***

We identify opportunities in the CLO market through our network of brokers, dealers, agent banks, collateral managers and sponsors that we have worked with for several years. The CLO vehicles which we focus on are collateralized primarily by senior secured loans made to companies whose debt is unrated or is rated below investment grade, and generally have very little or no direct exposure to real estate, mortgage loans or to pools of consumer-based debt, such as credit card receivables or auto loans.

We identify and source new prospective corporate debt investments through brokers, investment banks and direct company relationships. We have identified several criteria that we believe are important in seeking our investment objective. These criteria provide general guidelines for our investment decisions; however, we do not require each prospective investment to meet all or any specific number of these criteria.

- *Experienced management.* We generally require that our portfolio companies have an experienced management team. We also prefer the portfolio companies to have in place proper incentives to induce management to succeed and to act in concert with our interests as investors, including having significant equity interests.
- *Significant financial or strategic sponsor and/or strategic partner.* We prefer to invest in companies in which established private equity or venture capital funds or other financial or strategic sponsors have previously invested and are willing to make an ongoing contribution to the management of the business, including participation as board members or as business advisers.

---

5

- *Strong competitive position in industry.* We seek to invest in companies that have developed a competitive position within their respective sector or niche of a specific industry.
- *Profitable on a cash flow basis.* We focus on companies that are profitable or nearly profitable on an operating cash flow basis. Typically, we would not expect to invest in start-up companies.
- *Clearly defined exit strategy.* Prior to making a direct corporate equity investment and/or an investment in a debt security that is accompanied by an equity-based security in a portfolio company, we analyze the potential for that company to increase the liquidity of its common equity through a

future event that would enable us to realize appreciation, if any, in the value of our equity interest. Liquidity events may include an initial public offering, a merger or an acquisition of the company, a private sale of our equity interest to a third party, or a purchase of our equity position by the company or one of its stockholders.

- *Liquidation value of assets.* Although we do not operate as an asset-based lender, the prospective liquidation value of the assets, if any, collateralizing the debt securities that we hold is a consideration in our credit analysis. We consider both tangible assets, such as accounts receivable, inventory and equipment, and intangible assets, such as intellectual property, software code, customer lists, networks and databases.

#### **Due Diligence**

Our due diligence process generally includes some or all of the following elements:

#### **Corporate Loans**

##### *Management team and financial sponsor*

- management assessment including a review of management's track record with respect to product development, sales and marketing, mergers and acquisitions, alliances, collaborations, research and development outsourcing and other strategic activities; and
- financial sponsor reputation, track record, experience and knowledge (where a financial sponsor is present in a transaction).

##### *Business*

- industry and competitive analysis;
- assessment of likely exit strategies; and
- potential regulatory/legal issues.

##### *Financial condition*

- detailed review of the historical financial performance and the quality of earnings;
- development of detailed pro forma financial projections; and
- review of assets and liabilities, including contingent liabilities.

#### **Structured Finance Vehicles**

- review of indenture structures;
- review of underlying collateral loans;
- analysis of projected future cash flows; and
- analysis of compliance with covenants.

Contemporaneous with our due diligence process, the investment team presents the investment proposal to our Investment Committee, which currently consists of Messrs. Cohen and Rosenthal. Our Investment Committee reviews and approves each of our portfolio investments.

#### **Investment Characteristics**

In identifying corporate debt investments, we seek to ascertain the asset quality as well as the earnings quality of our prospective portfolio companies. Frequently, we obtain a senior secured position and thus receive a perfected, first or second priority security interest in substantially all of our portfolio companies' assets, which entitles us to a preferred position on payments in the event of liquidation. It should be noted, however, that because we are not primarily an asset-based lender, in the current economic environment, the value of collateral and security interests may dissipate rapidly. In addition, in certain investments we seek loan covenants or to participate in syndicated loans that incorporate loan covenants that assist in the early identification of risk. Our loan documents may include affirmative covenants that require the portfolio company to take specific actions such as: periodic financial reporting; notification of

material events and compliance with laws; restrictive covenants that prevent portfolio companies from taking a range of significant actions such as incurring additional indebtedness or making acquisitions without our consent; covenants requiring the portfolio company to maintain or achieve specified financial ratios such as debt to cash flow and interest coverage; and operating covenants requiring them to maintain certain operational benchmarks such as minimum revenue or minimum cash flow. Our loan documents also provide protection against customary events of default such as non-payment, breach of covenant, insolvency and change of control.

---

6

In identifying CLO investments, we seek to ascertain the asset quality of the underlying collateral pool, the structural integrity of the CLO liability capital structure, the expected return profile of the CLO equity or debt tranche we are investing in, as well as the quality of the prospective collateral manager. The underlying portfolio of each CLO investment is typically diversified across approximately 100 to 250 broadly syndicated loans which are predominantly 1<sup>st</sup> lien senior secured term loans to U.S. corporations. Additionally, these collateral pools typically do not have direct exposure to real estate, mortgages, or consumer-based credit assets. Our investment focus is generally agnostic between the primary and secondary CLO markets. In both markets, we pursue opportunities which we view to have attractive optionality with regards to the ability to refinance or "reset" the CLO liability capital structure at some point in the future. A CLO "reset" typically includes an extension of the CLO's reinvestment period in addition to the refinancing of the CLO liabilities. We continue to prefer CLO equity investments which have longer reinvestment periods which may give CLO managers additional time to rebuild collateral value from potential credit losses as well as take advantage of a potential disruption in the broader credit markets.

## MONITORING RELATIONSHIPS WITH PORTFOLIO COMPANIES

### ***Monitoring***

We monitor the financial trends of each portfolio company to assess the appropriate course of action for each investment and to evaluate overall portfolio quality. We closely monitor the status and performance of each individual company on at least a quarterly and, in some cases, a monthly basis.

We have several methods of evaluating and monitoring the performance of our investments, including but not limited to the following:

- assessment of business development success, and the portfolio company's overall adherence to its business plan; and
- review of monthly and/or quarterly financial statements and financial projections for portfolio companies.

In addition, we may from time to time identify investments that require closer monitoring or become workout assets. In such cases, we will develop a strategy for workout assets and periodically gauge our progress against that strategy. As a private debt holder, we may incur losses from our investing activities from time to time; however, we attempt, where possible, to work with troubled portfolio companies in order to recover as much of our investments as is practicable.

---

7

### ***Portfolio Grading***

We have developed a credit grading system to monitor the quality of our debt investment portfolio. We use an investment rating scale of 1 to 5. The following table provides a description of the conditions associated with each debt investment. Equity securities, including CLO equity tranches, are not graded.

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

### Significant Managerial Assistance

As a BDC, we are required to offer significant managerial assistance to portfolio companies. This assistance, were it to be accepted, would typically involve monitoring the operations of portfolio companies, participating in their board and management meetings, consulting with and advising their officers and providing other organizational and financial guidance.

### Portfolio Overview

We seek to create a portfolio that includes primarily CLO investments, senior secured loans, senior subordinated and junior subordinated debt investments, as well as warrants and other equity instruments we may receive in connection with such debt investments. We generally expect to invest between \$5 million and \$50 million in each of our portfolio companies. We expect that our investment portfolio will be diversified among a large number of investments with few investments, if any, exceeding 5% of the total portfolio.

The following is a representative list of the industries in which we have invested:

- Structured Finance
- Business Services
- Software
- Telecommunication Services
- Diversified Insurance
- IT Consulting
- Utilities
- Healthcare
- Plastics Manufacturing

During the fiscal year ended December 31, 2022 December 31, 2023, we purchased approximately \$84.2 \$11.7 million of investments, comprised of approximately \$57.0 \$8.2 million in senior secured notes and \$27.2 \$3.5 million in CLO equity. As a percentage of fair value of the total invested portfolio as of December 31, 2022 December 31, 2023, our portfolio was invested approximately 67.2% in senior secured notes, 31.4% 30.8% in CLO equity, and 1.4% 2.0% in equity and other investments.

### TEN LARGEST PORTFOLIO INVESTMENTS AS OF DECEMBER 31, 2022 2023

Our ten largest portfolio company investments as of December 31, 2022 December 31, 2023, based on the combined fair value of the debt and equity securities (including CLO side letter related investments) we hold in each portfolio company, were as follows:

Portfolio Company	Industry	December 31, 2022			December 31, 2023		
		(\$ in millions)			Fair Value Percentage of Total		
		Fair	Value <sup>(1)</sup>	Portfolio <sup>(1)</sup>	Fair	Value	Portfolio <sup>(1)</sup>
Dryden 43 Senior Loan Fund	Structured Finance	\$ 28.8	\$ 25.0	8.0%	Structured Finance	\$ 27.5	\$ 21.7
Carlyle Global Market Strategies CLO 2021-6, Ltd.	Structured Finance	22.1	16.3	5.2%	Structured Finance	20.7	17.6
Access CIG, LLC	Business Services	16.8	14.7	4.7%	Business Services	16.8	16.7
Global Tel Link Corp.					Telecommunication Services	16.9	15.0
Viant Medical Holdings, Inc.					Healthcare	14.5	14.2
Quest Software, Inc.					Software	22.7	14.1
Affinion Insurance Solutions, Inc. (f/k/a AIS Intermediate, LLC)	Diversified Insurance	14.9	14.7	4.7%	Diversified Insurance	14.3	13.9

Quest Software, Inc.	Software	22.7	14.3	4.6%			
Octagon Investment Partners 49, Ltd.	Structured Finance	20.5	14.0	4.5%			
Dodge Data & Analytics, LLC	Software	19.7	13.8	4.4%			
OMNIA Partners, Inc.	Business Services	13.8	13.5	4.3%			
Magenta Buyer, LLC (f/k/a McAfee Enterprise)	Software	16.8	13.4	4.3%			
Verifone Systems, Inc.					Business Services	13.5	13.5
HealthChannels, Inc. (f/k/a ScribeAmerica, LLC)	Healthcare	18.8	13.2	4.2%	Healthcare	18.6	13.0
Convergint Technologies, LLC					Business Services	13.4	12.3
		\$ 194.8	\$ 153.0	48.7%		\$178.7	\$152.0
							57.0%

(1) Totals may not sum due to rounding.

## 8

For a description of the factors relevant to the changes in the value of the above portfolio investments for the year ended December 31, 2022 December 31, 2023, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations — Portfolio Grading."

Set forth below are descriptions of the ten largest portfolio investments as of December 31, 2022 December 31, 2023:

### **Dryden 43 Senior Loan Fund**

Dryden 43 Senior Loan Fund is a collateralized loan obligation investing primarily in U.S.-based senior secured loans. As of December 31, 2022 December 31, 2023, approximately \$47.3 million remained outstanding on our investment.

### **Carlyle Global Market Strategies CLO 2021-6, Ltd.**

Carlyle Global Market Strategies CLO 2021-6, Ltd. is a collateralized loan obligation investing primarily in U.S.-based senior secured loans. As of December 31, 2022 December 31, 2023, approximately \$29.6 million remained outstanding on our investment.

### **Access CIG, LLC**

Access CIG, LLC is a records and documents storage firm. As of December 31, 2022 December 31, 2023, approximately \$16.8 million remained outstanding on our investment in the second lien notes.

### **Global Tel Link Corp**

Global Tel Link Corp. is a provider of telecom and technology products and services used by inmates, investigators and administrators in the corrections industry. As of December 31, 2023, approximately \$17.0 million remained outstanding on our investment in the second lien notes.

## 9

### **Viant Medical Holdings, Inc.**

Viant Medical Holdings, Inc. provides vertically integrated plastics processing solutions for medical devices. As of December 31, 2023, approximately \$9.5 million and \$5.0 million remained outstanding on our investment in the first and second lien notes, respectively.

### **Quest Software, Inc.**

Quest Software, Inc. is an infrastructure software provider. They have five main product/service offerings: platform management, information management, identity management, data protection, and endpoint management. As of December 31, 2023, approximately \$3.0 million and \$20.0 million remained outstanding on our investment in the first lien notes and second lien notes, respectively.

### **Affinion Insurance Solutions, Inc. (f/k/a AIS Intermediate, LLC)**

Affinion Insurance Solutions, Inc. is an insurance company that offers insurance, value-added checking programs, customer acquisition solutions, data analysis, multi-channel marketing, direct mail, and online marketing services. As of December 31, 2022, December 31, 2023, approximately \$15.2 million remained outstanding on our investment in the first lien notes.

#### **Quest Software, Verifone Systems, Inc.**

Quest Software, Verifone Systems, Inc. is an infrastructure software provider. They have five main product/service offerings: platform management, information management, identity management, data protection, develops technology that enables electronic payment transactions and endpoint management, value-added services at the point of sale. As of December 31, 2022, December 31, 2023, approximately \$3.0 million and \$20.0 million remained outstanding on our investment in the first lien notes and second lien notes, respectively.

#### **Octagon Investment Partners 49, Ltd.**

Octagon Investment Partners 49, Ltd. is a collateralized loan obligation investing primarily in U.S.-based senior secured loans. As of December 31, 2022, approximately \$28.9 million remained outstanding on our investment.

#### **Dodge Data & Analytics, LLC**

Dodge Data & Analytics, LLC provides software solutions. They offer analytics and software-based workflow integration solutions for the construction industry. As of December 31, 2022, approximately \$5.0 million and \$15.0 million remained outstanding on our investment in the first lien notes and second lien notes, respectively.

#### **OMNIA Partners, Inc.**

OMNIA Partners, Inc. provides procurement and supply chain management services. They specialize in commodities, engineered components, raw materials, and other supplies. As of December 31, 2022, approximately \$13.8 million remained outstanding on our investment in the second lien notes.

#### **Magenta Buyer, LLC (f/k/a McAfee Enterprise)**

Magenta Buyer, LLC provides cyber security services. The Company offers antivirus, cloud, and endpoint security solutions which protects consumers, enterprises, and governments from cyberattacks. As of December 31, 2022, approximately \$2.0 million and \$15.0 million remained outstanding on our investment in the first lien notes and second lien notes, respectively.

9

---

#### **HealthChannels, Inc. (f/k/a ScribeAmerica, LLC)**

HealthChannels, Inc. is a health-care company that offers clerical support services, including electronic medical record documentation, patient engagement, and medical coding to improve clinical outcomes. As of December 31, 2022, December 31, 2023, approximately \$19.0 million remained outstanding on our investment in the first lien notes.

#### **Convergint Technologies, LLC**

Convergint Technologies, LLC offers security, communications, installation, fire alarm safety, and building automation systems to commercial offices, residential, government, healthcare, and educational industries. As of December 31, 2023, approximately \$2.5 million and \$11.0 million remained outstanding on our investment in the first and second lien notes, respectively.

### **INVESTMENT ADVISORY AGREEMENT**

#### **Management Services**

Oxford Square Management serves as our investment adviser. Oxford Square Management is registered as an investment adviser under the Advisers Act. Subject to the overall supervision of our Board, Oxford Square Management manages our day-to-day operations and provides investment advisory services to us. Under the terms of our Investment Advisory Agreement with Oxford Square Management (the "Investment Advisory Agreement"), Oxford Square Management:

- determines the composition of our portfolio, the nature and timing of the changes to our portfolio and the manner of implementing such changes;
- identifies, evaluates and negotiates the structure of the investments we make;

- closes, monitors and services the investments we make; and
- determines what securities we will purchase, retain or sell.

Oxford Square Management's services under the Investment Advisory Agreement are not exclusive, and it is free to furnish similar services to other entities so long as its services to us are not impaired. Oxford Square Management has agreed that, during the term of its Investment Advisory Agreement with us, it will not serve as investment adviser to any other public or private entity that utilizes a principal investment strategy of providing debt financing to middle-market companies similar to those we target.

#### **Advisory Fee**

##### General Terms

We pay Oxford Square Management an advisory fee for its services under the Investment Advisory Agreement consisting of a base advisory fee (the "Base Fee") and two types of incentive fees.

The Base Fee is payable quarterly in arrears, calculated based on a percentage of the average value of our gross assets at the end of the two most recently completed calendar quarters, and appropriately prorated for any partial quarter.

The incentive fees are commonly referred to as the "income incentive fee" and the "capital gains incentive fee," with the first fee payable quarterly in arrears and the second fee payable in arrears at the end of each calendar year.

- The first fee, which we refer to as the "Net Investment Income Incentive Fee," is determined by reference to the Company's "Pre-Incentive Fee Net Investment Income" (as defined below). Given that this incentive fee is payable without regard to any gain, loss or unrealized depreciation that may occur during the quarter, Oxford Square Management's incentive fee may be payable notwithstanding a decline in net asset value that quarter.
- The second fee, which we refer to as the "Capital Gains Incentive Fee," equals 20% of our "Incentive Fee Capital Gains," which consists of our realized capital gains for each calendar year, computed net of all realized capital losses and unrealized capital depreciation for that calendar year. For accounting purposes under U.S. generally accepted accounting principles ("GAAP"), the Capital Gains Incentive Fee is based on a hypothetical liquidation of the Company. In such a calculation, in order to reflect the theoretical Capital Gains Incentive Fee that would have been payable for a given period as if all unrealized gains were realized, we will accrue a Capital Gains Incentive Fee based upon net realized gains and unrealized depreciation for that calendar year (in accordance with the terms of the Investment Advisory

Agreement), plus unrealized appreciation on investments held at the end of the period. It should be noted that a fee so calculated and accrued would not necessarily be payable under the Investment Advisory Agreement, and may never be paid based upon the computation of Capital Gains Incentive Fees in subsequent periods. Amounts paid under the Investment Advisory Agreement will be consistent with the formula in the Investment Advisory Agreement.

The cost of both the Base Fee payable to Oxford Square Management and any incentive fees earned by Oxford Square Management are ultimately borne by our common stockholders.

##### Calculation of Fees under the Investment Advisory Agreement and 2016 Fee Waiver

The Investment Advisory Agreement specifies the calculation of the advisory fee payable thereunder, as described in greater detail below. However, Oxford Square Management unilaterally determined to waive, under certain circumstances, part of its total fees payable under the Investment Advisory Agreement, pursuant to a fee waiver letter effective April 1, 2016 (the "2016 Fee Waiver").

The Investment Advisory Agreement provides for a series of calculations to be used in determining the Base Fee and Net Investment Income Incentive Fee payable to Oxford Square Management. The 2016 Fee Waiver operates by providing for a second series of calculations to be run alongside the calculations of the Base Fee and Net Investment Income Incentive Fee under the Investment Advisory Agreement. In the event that the second set of calculations produces a *higher* combined Base Fee and Net Investment Income Incentive Fee for any quarterly period, those combined fees are set to the original (lower) level, calculated pursuant to the Investment Advisory Agreement. In the event that the second set of calculations produces *lower* combined Base Fee and Net Investment

---

Income Incentive Fee for that quarterly period, those lower combined fees are adopted for that quarterly period. In either case, the lower level of combined fees is used for that quarter, and, accordingly, the advisory fee payable to Oxford Square Management can only be reduced, and never increased, as a result of the 2016 Fee Waiver.

*Calculation of Fees under the Investment Advisory Agreement.* Under the Investment Advisory Agreement, and without applying the 2016 Fee Waiver, the total advisory fee would be calculated as follows:

- 1) *Base Fee:* The Base Fee is calculated at an annual rate of 2.00% of our gross assets, and appropriately adjusted for any equity or debt capital raises, repurchases or redemptions during the current calendar quarter.
- 2) *Net Investment Income Incentive Fee:* The Net Investment Income Incentive Fee is calculated based on our "Pre-Incentive Fee Net Investment Income" for the immediately preceding calendar quarter.
  - a. *For a.* For this purpose, "Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence and consulting fees or other fees that we receive from portfolio companies) accrued during the calendar quarter minus our operating expenses for the quarter (including the Base Fee, expenses payable under our administration agreement, and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with payment-in-kind ("PIK") interest, and zero coupon securities), accrued income that we have not yet received in cash. Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.
  - b. Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of our net assets at the end of the immediately preceding calendar quarter, is compared to one-fourth of an annual "hurdle rate." The annual hurdle rate is determined as of the immediately preceding December 31<sup>st</sup> by adding 5.0% to the interest rate then payable on the most recently issued five-year U.S. Treasury Notes, up to a maximum annual hurdle rate of 10.0%. The annual hurdle rates for the 2023, 2022 2021 and 2020 2021 calendar years, calculated as of December 31, were approximately 6.26% 8.99%, 5.36% 6.26%, and 6.69% 5.36%, respectively, under the terms of the Investment Advisory Agreement. Our net investment income (to the extent not distributed to our ~~shareholders~~ stockholders) used to calculate the Net Investment Income Incentive Fee was also included in the amount of our gross assets used to calculate the 2.00% Base Fee.

---

11

- c. The operation of the incentive fee with respect to our Pre-Incentive Fee Net Investment Income for each quarter is as follows:
  - i. no incentive fee was payable to Oxford Square Management in any calendar quarter in which our Pre-Incentive Fee Net Investment Income did not exceed one fourth of the annual hurdle rate (approximately 6.26% 8.99% for the 2022 2023 calendar year).
  - ii. 20% of the amount of our Pre-Incentive Fee Net Investment Income, if any, that exceeds one-fourth of the annual hurdle rate (approximately 6.26% 8.99% for the 2022 2023 calendar year) in any calendar quarter was payable to Oxford Square Management (i.e., once the hurdle rate is reached, 20% of all Pre-Incentive Fee Net Investment Income thereafter was allocated to Oxford Square Management).
- 3) *Capital Gains Incentive Fee.* The "Capital Gains Incentive Fee," is determined as described above.

For more information about the calculation of the advisory fee under the Investment Advisory Agreement prior to effectiveness of the 2016 Fee Waiver, refer to our Annual Report on Form 10-K for the fiscal year ended December 31, 2016.

---

12

*Calculation of Fees under the 2016 Fee Waiver.* Following the effectiveness of the 2016 Fee Waiver, a second set of calculations is applied each quarter, and, if (and only if) those calculations result in a lower total advisory fee (i.e., the combination of the Base Fee and any incentive fees), they are used to calculate the total advisory fee payable to Oxford Square Management for a particular quarter. No individual element of those calculations is applicable by itself — only the totality of those calculations is considered. Generally, and as described in greater detail below, under the second set of calculations provided for by the 2016 Fee Waiver:

- 1) *Base Fee:*
  - a. The calculation of the Base Fee component is reduced from 2.00% to 1.50%; and

- b. No Base Fee is calculated on funds received in connection with any capital raises until the funds are invested.

2) *Net Investment Income Incentive Fee:*

- a. The calculation of our Net Investment Income Incentive Fee is revised to include a Total Return Requirement (as defined below). Under the Total Return Requirement, we are only required to pay Oxford Square Management a Net Investment Income Incentive Fee if 20% of the "cumulative net increase in net assets resulting from operations" (as defined below) — during the calendar quarter for which such fees are being calculated and the eleven (11) preceding quarters — is greater than the cumulative Net Investment Income Incentive Fees accrued and/or paid over for the same period, even when our net investment income exceeds the minimum return to our stockholders required to be achieved before Oxford Square Management is entitled to receive a Net Investment Income Incentive Fee (which minimum return is commonly referred to as the "preferred return" or "hurdle rate");
- b. The calculation of our Net Investment Income Incentive Fee incorporates a "catch-up" provision that provides that Oxford Square Management will receive 100% of our net investment income with respect to that portion of such net investment income, if any, that exceeds the preferred return but is less than 2.1875% quarterly (8.75% annualized) and 20% of any net investment income thereafter; and
- c. The hurdle rate used to calculate the Net Investment Income Incentive Fee is changed from a variable rate, based on the five-year U.S. Treasury note plus 5.00% (with a maximum of 10%), to a fixed rate of 7.00%.

12

---

More specifically, for the purpose of calculating the amount of total advisory fees (if any) to be waived during a particular calendar quarter, the Base Fee and Net Investment Income Incentive Fee are calculated as follows under the 2016 Fee Waiver:

- 1) *Base Fee:* The Base Fee is calculated at an annual rate of 1.50%, adjusted pro rata for any share issuances, debt issuances, repurchases or redemptions during the current calendar quarter; provided, however, that no Base Fee is payable on the cash proceeds received by us in connection with any share or debt issuances until such proceeds have been invested in accordance with our investment objectives. The Base Fee for any partial month or quarter is pro-rated.
- 2) *Net Investment Income Incentive Fee:* The Income Incentive Fee is calculated based on the amount by which (x) the "Pre-Incentive Fee Net Investment Income" (as defined below) for the calendar quarter exceeds (y) the "Preferred Return Amount" (as defined below) for the calendar quarter.
  - a. A "Preferred Return Amount" is calculated on a quarterly basis by multiplying 1.75% by the Company's net asset value at the end of the immediately preceding calendar quarter.
  - b. The Net Investment Income Incentive Fee is then calculated as follows:
    - (i) no Net Investment Income Incentive Fee is payable to Oxford Square Management in any calendar quarter in which the "Pre-Incentive Fee Net Investment Income" does not exceed the "Preferred Return Amount";

13

---

- (ii) 100% of the "Pre-Incentive Fee Net Investment Income" for such quarter, if any, that exceeds the "Preferred Return Amount" but is less than or equal to a "Catch-Up Amount" determined on a quarterly basis by multiplying 2.1875% by OXSQ's net asset value at the end of such calendar quarter; and
  - (iii) for any quarter in which the "Pre-Incentive Fee Net Investment Income" exceeds the "Catch-Up Amount," the Net Investment Income Incentive Fee will be calculated at the rate of 20% of the amount of the "Pre-Incentive Fee Net Investment Income" for such quarter.
- c. There is no accumulation of amounts from quarter to quarter for the "Preferred Return Amount," and accordingly there is no claw back of amounts previously paid to Oxford Square Management if the "Pre-Incentive Fee Net Investment Income" for subsequent quarters is below the quarterly "Preferred Return Amount".
- d. The calculation of the Company's Net Investment Income Incentive Fee is subject to a total return requirement (the "Total Return Requirement") that provides that a Net Investment Income Incentive Fee will not be payable to Oxford Square Management except to the extent 20% of the "cumulative net increase in net assets resulting from operations" (which is the amount, if positive, of the sum of the "Pre-Incentive Fee Net

Investment Income," realized gains and losses and unrealized appreciation and depreciation) during the calendar quarter for which such fees are being calculated and the eleven (11) preceding quarters exceeds the cumulative Net Investment Income Incentive Fees accrued and/or paid for such eleven (11) preceding quarters.

3) *Capital Gains Incentive Fee.* The second part of the incentive fee, the "Capital Gains Incentive Fee," is determined as described above.

**Example 1: Net Investment Income Portion of Incentive Fee for Each Calendar Quarter (applying 2016 Fee Waiver)**

**Hypothetical Scenario 1**

Quarterly Investment income (including interest, dividends, fees, etc.) = 1.25%

Quarterly Hurdle rate = 1.75%

Base Fee<sup>(1)</sup> = 0.375%

Quarterly Other expenses (legal, accounting, custodian, transfer agent, etc.) = 0.2%

13

---

Pre-Incentive Fee Net Investment Income (investment income – (Base Fee + other expenses)) = 0.675%

Pre-Incentive Fee Net Investment Income does not exceed hurdle rate, therefore there is no income-related incentive fee.

**Hypothetical Scenario 2**

Quarterly Investment income (including interest, dividends, fees, etc.) = 2.50%

Quarterly Hurdle rate = 1.75%

Base Fee<sup>(1)</sup> = 0.375%

Quarterly Other expenses (legal, accounting, custodian, transfer agent, etc.) = 0.2%

Pre-Incentive Fee Net Investment Income (investment income – (Base Fee + other expenses)) = 1.925%

The Total Return Requirement is met (no Net Investment Income Incentive Fee would be payable if the Total Return Requirement were not met).

14

---

Incentive fee = 100%\* Pre-Incentive Fee Net Investment Income in excess of the hurdle rate but less than 2.1875% and 20% of any Pre-Incentive Fee Net Investment Income thereafter.

$$= 100\% * (1.925\% - 1.75\%)$$

$$= 100\% * 0.175\%$$

$$= 0.175\%$$

Pre-Incentive Fee Net Investment Income exceeds the hurdle rate but is less than 2.1875%. Therefore the income-related incentive fee is 0.175%.

**Hypothetical Scenario 3**

Quarterly Investment income (including interest, dividends, fees, etc.) = 4.00%

Quarterly Hurdle rate = 1.75%

Base Fee<sup>(1)</sup> = 0.375%

Quarterly Other expenses (legal, accounting, custodian, transfer agent, etc.) = 0.2%

Pre-Incentive Fee Net Investment Income (investment income – (Base Fee + other expenses)) = 3.425%

The Total Return Requirement is met (no Net Investment Income Incentive Fee would be payable if the Total Return Requirement were not met).

Incentive fee =  $100\% * \text{Pre-Incentive Fee Net Investment Income in excess of the hurdle rate but less than } 2.1875\% \text{ and } 20\% \text{ of any Pre-Incentive Fee Net Investment Income thereafter.}$

$$\begin{aligned} &= 100\% * (2.1875\% - 1.75\%) + 20\% * (3.425\% - 2.1875\%) \\ &= 100\% * 0.4375\% + 20\% * 1.2375\% \\ &= 0.4375\% + 0.2475\% \\ &= 0.685\% \end{aligned}$$

Pre-Incentive Fee Net Investment Income exceeds the hurdle rate and 2.1875%. Therefore the income-related incentive fee is 0.685%.

---

(1) Represents 1.50% annualized Base Fee.

14

---

#### **Example 2: Capital Gains Portion of Incentive Fee (\*)**

Capital Gains Incentive Fee =  $20\% \times \text{Incentive Fee Capital Gains}$  (i.e., our realized capital gains for each calendar year, computed net of all realized capital losses and unrealized capital depreciation for that calendar year).

##### ***Hypothetical Scenarios:***

- Year 1 = no realized capital gains or losses
- Year 2 = 9% realized capital gains, 0% realized capital losses, 1% unrealized depreciation and 0% unrealized appreciation
- Year 3 = 12% realized capital gains, 0% realized capital losses, 2% unrealized depreciation and 2% unrealized appreciation

15

---

Year 1 incentive fee	<ul style="list-style-type: none"><li>• Total Incentive Fee Capital Gains = 0</li><li>• No Capital Gains Incentive Fee paid to Oxford Square Management in Year 1</li></ul>
Year 2 incentive fee	<ul style="list-style-type: none"><li>• Total Incentive Fee Capital Gains = 8%</li></ul> <p><i>(9% realized capital gains less 1% unrealized depreciation)</i></p> <ul style="list-style-type: none"><li>• Total Capital Gains Incentive Fee paid to Oxford Square Management in Year 2</li></ul> $\begin{aligned} &= 20\% \times 8\% \\ &= 1.6\% \end{aligned}$
Year 3 incentive fee	<ul style="list-style-type: none"><li>• Total Incentive Fee Capital Gains = 10%</li></ul> <p><i>(12% realized capital gains less 2% unrealized depreciation; unrealized appreciation has no effect)</i></p> <ul style="list-style-type: none"><li>• Total Capital Gains Incentive Fee paid to Oxford Square Management in Year 3</li></ul> $\begin{aligned} &= 20\% \times 10\% \\ &= 2\% \end{aligned}$

---

(\*) The theoretical amounts of returns shown are based on a percentage of our total net assets and assume no leverage. There is no guarantee that positive returns will be realized, and actual returns may vary from those shown in this example.

#### **Payment of our Expenses**

Our primary operating expenses are: (i) the payment of advisory fees under the Investment Advisory Agreement, and (ii) the allocable portion of overhead and various other expenses incurred by Oxford Funds on our behalf, including rent and the provision of personnel and facilities. Our investment advisory fee compensates Oxford Square Management for acting as our investment adviser, managing the investment and reinvestment of our assets, and, specifically for its work in identifying, evaluating, negotiating, executing and servicing our investments. We bear all other expenses of our operations and transactions, including (without limitation) fees and expenses relating to:

- expenses of offering our debt and equity securities;
- the investigation and monitoring of our investments, including expenses and travel fees incurred in connection with investment due diligence and on-site visits;
- the cost of calculating our net asset value ("NAV");
- the cost of effecting sales and repurchases of shares of our common stock and other securities;
- investment management and incentive fees payable pursuant to the Investment Advisory Agreement;
- fees payable to third parties relating to, or associated with, making investments and valuing investments (including third-party valuation firms);
- transfer agent, trustee and custodial fees;
- interest payments and other costs related to our borrowings;

15

---

- fees and expenses associated with our website, public relations and marketing efforts (including attendance at industry and investor conferences and similar events);
- federal and state registration fees;
- any exchange listing fees;
- U.S. federal, state and local taxes;
- independent directors' fees and expenses, including travel expenses, and other costs of the Board's meetings and other costs associated with the performance of independent directors' responsibilities;
- brokerage commissions;

16

---

- costs of preparing and mailing proxy statements, stockholders' reports and notices, including annual proxy solicitations and ~~shareholder~~ stockholder meetings;
- costs of preparing government filings, including periodic and current reports with the SEC;
- fidelity bond, directors and officers/errors and omissions liability insurance and other insurance premiums; and
- direct costs such as printing, mailing, long distance telephone, staff, rent, independent audits and outside legal costs and all other expenses incurred by either Oxford Funds or us in connection with administering our business, including payments under the Administration Agreement that will be based upon our allocable portion of overhead and other expenses incurred by Oxford Funds on our behalf under the Administration Agreement, including a portion of the rent and the compensation and related expenses of our Chief Financial Officer, our accounting support staff and other administrative support personnel. Related expenses include but are not limited to employee benefit costs, payroll taxes and travel and training expenses. The costs associated with the functions performed by our Chief Compliance Officer are paid by us pursuant to the terms of an agreement between the Company and ACA Group, LLC, a compliance consulting firm.

All of these expenses are ultimately borne by our common stockholders.

All personnel of our investment adviser when and to the extent engaged in providing investment advisory services, and the compensation and related expenses of such personnel allocable to such services, will be provided and paid for by Oxford Funds, the investment adviser's managing member.

#### ***Duration and Termination***

Unless earlier terminated as described below, the Investment Advisory Agreement will remain in effect if approved annually by our Board or by the affirmative vote of the holders of a majority of our outstanding voting securities, including, in either case, approval by a majority of our directors who are not "interested persons" as defined in Section 2(a)(19) of the 1940 Act. On April 21, 2022 April 25, 2023, the Board of Directors re-approved the Investment Advisory Agreement at an in-person meeting. The Investment Advisory Agreement will automatically terminate in the event of its assignment. The Investment Advisory Agreement may be terminated by either party without penalty upon 60 days' written notice to the other. Refer to "Item 1A. Risk Factors — Risks relating to our business and structure — We are dependent upon Oxford Square Management's key management personnel for our future success, particularly Jonathan H. Cohen and Saul B. Rosenthal."

#### **Indemnification**

The Investment Advisory Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of their respective duties or by reason of the reckless disregard of their respective duties and obligations, Oxford Square Management and its officers, managers, agents, employees, controlling persons, members and any other person or entity affiliated with it, including without limitation Oxford Funds, are entitled to indemnification from OXSQ for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Oxford Square Management's services under the Investment Advisory Agreement or otherwise as an investment adviser of OXSQ.

16

---

#### **Organization of the Investment Adviser**

Oxford Square Management is a Delaware limited liability company that is registered as an investment adviser under the Advisers Act. Oxford Funds, a Delaware limited liability company, is Oxford Square Management's managing member and provides it with all personnel necessary to manage our day-to-day operations and provide the services under the Investment Advisory Agreement. The principal address of Oxford Square Management and of Oxford Funds is 8 Sound Shore Drive, Suite 255, Greenwich, Connecticut 06830.

Oxford Funds is the managing member of Oxford Square Management. Charles M. Royce, a member of our Board, has a minority, non-controlling interest in Oxford Square Management.

17

---

#### **ADMINISTRATION AGREEMENT**

Pursuant to a separate Administration Agreement, Oxford Funds furnishes us with office facilities, together with equipment and clerical, bookkeeping and record keeping services at such facilities. Under the Administration Agreement, Oxford Funds also performs, or oversees the performance of, our required administrative services, which includes being responsible for the financial records which we are required to maintain and preparing reports to our stockholders and reports filed with the SEC. In addition, Oxford Funds assists us in determining and publishing our net asset value, overseeing the preparation and filing of our tax returns and the printing and dissemination of reports to our stockholders, and generally overseeing the payment of our expenses and the performance of administrative and professional services rendered to us by others. Payments under the Administration Agreement are based upon our allocable portion of overhead and other expenses incurred by Oxford Funds on our behalf under the Administration Agreement, including a portion of the rent and the compensation of our Chief Financial Officer, our accounting support staff and other administrative support personnel. We also reimburse Oxford Funds for the costs associated with the functions performed by our Chief Compliance Officer that Oxford Funds pays on our behalf pursuant to the terms of an agreement between us and ACA Group. Group, LLC. The Administration Agreement may be terminated by either party without penalty upon 60 days' written notice to the other party.

The Administration Agreement provides that, absent willful misfeasance, bad faith or gross negligence in the performance of their respective duties or by reason of the reckless disregard of their respective duties and obligations, Oxford Funds and its officers, managers, agents, employees, controlling persons, members and any other person or entity affiliated with it are entitled to indemnification from OXSQ for any damages, liabilities, costs and expenses (including reasonable attorneys' fees and amounts reasonably paid in settlement) arising from the rendering of Oxford Funds' services under the Administration Agreement or otherwise as administrator for OXSQ.

#### **Summary Risk Factors**

*The risk factors described below are a summary of the principal risk factors associated with an investment in us. These are not the only risks we face. You should carefully consider these risk factors, together with the risk factors set forth in Item 1A. of this Annual Report on Form 10-K and the other reports and documents filed by us with the SEC.*

## Risks Relating to Our Business and Structure

- Any failure on our part to maintain our status as a business development company would reduce our operating flexibility, including our ability to borrow money.
- We are dependent upon Oxford Square Management's key management personnel for our future success, particularly Jonathan H. Cohen and Saul B. Rosenthal.
- Our financial condition and results of operations will depend on our ability to manage our existing portfolio and future growth effectively.
- Our business and operation could be negatively affected if we become subject to any securities litigation or shareholder activism, which could cause us to incur significant expense, hinder execution of our investment strategy and impact our stock price.
- We operate in a highly competitive market for investment opportunities.

17

---

- Our business model depends to a significant extent upon strong referral relationships with financial sponsors, and the inability of the senior investment professionals of our investment adviser to maintain or develop these relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business.
- There will be uncertainty as to the value of our portfolio investments, which may impact our net asset value.
- Further downgrades of the U.S. credit rating, impending automatic spending cuts or another government shutdown could negatively impact our liquidity, financial condition and earnings.

18

---

- Our business is subject to increasingly complex corporate governance, public disclosure and accounting requirements that could adversely affect our business and financial results.
- The interest rates of our term loans to our portfolio companies that extend beyond 2021 might be subject to change based on recent regulatory changes.
- A disruption in the capital markets and the credit markets could negatively affect our business.
- We are permitted to borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing in us.
- Regulations governing our operation as a BDC affect our ability to, and the way in which we raise additional capital, which may expose us to risks, including the typical risks associated with leverage.
- Our Board of Directors is authorized to reclassify any unissued shares of common stock into one or more classes of preferred stock, which could convey special rights and privileges to its owners.
- Our ability to enter into transactions involving derivatives and financial commitment transactions may be limited.
- There are significant potential conflicts of interest between OXSQ and our management team.
- Our Board of Directors may change our investment objective, operating policies and strategies without prior notice or stockholder approval.

## Risks Related to U.S. Federal Tax Regulation

- We will be subject to U.S. federal income tax at corporate rates, if we are unable to qualify for tax treatment as a RIC for U.S. federal income tax purposes.

## Risks Relating to Our Investments

- Our investment portfolio may be concentrated in a limited number of portfolio companies, which will subject us to a risk of significant loss if any of these companies defaults on its obligations under any of its debt securities that we hold or if the sectors in which we invest experience a market downturn.
- The lack of liquidity in our investments may adversely affect our business.

- If we cannot obtain additional capital because of either regulatory or market price constraints, we could be forced to curtail or cease our new lending and investment activities, our net asset value could decrease and our level of distributions and liquidity could be affected adversely.
- Our investments in the companies that we target may be extremely risky and we could lose all or part of our investments.
- Our incentive fee may induce Oxford Square Management to use leverage and to make speculative investments.
- Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies.
- Our investments in CLO vehicles are riskier and less transparent to us and our stockholders than direct investments in the underlying senior loans.

18

---

#### **Risks Relating to an Investment in Our Securities**

- Our common stock price may be volatile.
- Our shares of common stock have traded at a discount from net asset value and may do so in the future.

19

---

- There is a risk that investors in our equity securities will not receive distributions or that our distributions will not grow over time and a portion of our distributions could be a return of capital.
- We may choose to pay distributions in our own common stock, in which case, our stockholders may be required to pay U.S. federal income taxes in excess of the cash distributions they receive.]

#### **Risks Relating to the Economy**

- The COVID-19 pandemic has caused severe disruptions in the U.S. economy and has disrupted financial activity in the areas in which we or our portfolio companies operate.
- We are currently operating in a period of capital markets disruption and economic uncertainty.
- Political, social and economic uncertainty including uncertainty related to the COVID-19 pandemic, creates and exacerbates risks.

#### **COMPETITION**

Our primary competitors to provide financing to primarily non-public companies include private equity and venture capital funds, other equity and non-equity based investment funds, including other BDCs, and investment banks and other sources of financing, including traditional financial services companies such as commercial banks and specialty finance companies. Many of these entities may have greater financial and managerial resources than we have. For additional information concerning the competitive risks we face, refer to "Item 1A. Risk Factors — Risks Relating to Our Business and Structure — We operate in a highly competitive market for investment opportunities."

#### **EMPLOYEES**

We have no employees. Our day-to-day investment operations are managed by Oxford Square Management. In addition, we reimburse Oxford Funds for an allocable portion of expenses incurred by it on our behalf under the Administration Agreement, including a portion of the rent and the compensation of our Chief Financial Officer, accounting staff and other administrative support personnel. We will also pay the costs associated with the functions performed by our Chief Compliance Officer under the terms of an agreement between the Company and ACA Group. Group, LLC.

#### **CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS**

As a BDC, we have elected to be treated, and intend to qualify annually, as a RIC under Subchapter M of the Code, beginning with our 2003 taxable year. As a RIC, we generally will not be subject to U.S. federal income tax on any ordinary income or capital gains that we timely distribute to our stockholders as dividends. To continue to qualify as a RIC, we must, among other things, meet certain source-of-income and asset diversification requirements (as described below). In addition, to qualify for RIC tax treatment we must distribute to our stockholders, for each taxable year, at least 90% of our "investment company taxable income," which is generally our ordinary income plus the excess of our realized net short-term capital gains over our realized net long-term capital losses (the "Annual Distribution Requirement").

##### ***Taxation as a RIC***

If we qualify as a RIC; and satisfy the Annual Distribution Requirement, then we will not be subject to U.S. federal income tax on the portion of our investment company taxable income and net capital gain (i.e., realized net long-term capital gains in excess of realized net short-term capital losses) we timely distribute to stockholders. We will be subject to U.S. federal income tax at the regular corporate rates on any income or capital gains not distributed (or deemed distributed) to our stockholders.

19

---

We will be subject to a 4% nondeductible U.S. federal excise tax on certain undistributed income unless we distribute in a timely manner an amount at least equal to the sum of (1) 98% of our net ordinary income for each calendar year, (2) 98.2% of our capital gain net income for the one-year period ending October 31 in that calendar year and (3) any income and net capital gain that we recognized in preceding years but were not distributed in such years, and on which we paid no U.S. federal income tax (the "Excise Tax Avoidance Requirement"). We generally will endeavor in each taxable year to make sufficient distributions to our stockholders to satisfy the Excise Tax Avoidance Requirement.

20

---

In order to qualify as a RIC for U.S. federal income tax purposes, we must, among other things:

- at all times during each taxable year, be registered under the 1940 Act as a management company or unit investment trust, or have in effect an election under the 1940 Act to be treated as a BDC;
- derive in each taxable year at least 90% of our gross income from dividends, interest, payments with respect to loans of certain securities, gains from the sale of stock or other securities, net income from certain "qualified publicly traded partnerships," or other income derived with respect to our business of investing in such stock or securities (the "90% Income Test"); and
- diversify our holdings so that at the end of each quarter of the taxable year:
  - at least 50% of the value of our assets consists of cash, cash equivalents, U.S. government securities, securities of other RICs, and other securities if such other securities of any one issuer do not represent more than 5% of the value of our assets or more than 10% of the outstanding voting securities of the issuer; and
  - no more than 25% of the value of our assets is invested in (i) the securities, other than U.S. government securities or securities of other RICs, of one issuer (ii) the securities, other than securities of other RICs, of two or more issuers that are controlled, as determined under applicable Code rules, by us and that are engaged in the same or similar or related trades or businesses; or (iii) the securities of certain "qualified publicly traded partnerships" (the "Diversification Tests").

We may be required to recognize taxable income in circumstances in which we do not receive cash. For example, if we hold debt obligations that are treated under applicable tax rules as having original issue discount (such as debt instruments with PIK interest or, in certain cases, increasing interest rates or issued with warrants), we must include in income each year a portion of the original issue discount that accrues over the life of the obligation, regardless of whether cash representing such income is received by us in the same taxable year. We may also have to include in income other amounts that we have not yet received in cash, such as PIK interest and deferred loan origination fees that are paid after origination of the loan or are paid in non-cash compensation such as warrants or stock. Because any original issue discount or other amounts accrued will be included in our investment company taxable income for the year of accrual, we may be required to make a distribution to our stockholders in order to satisfy the Annual Distribution Requirement, even though we will not have received any corresponding cash amount. In addition, we may be required to accrue for U.S. federal income tax purposes amounts attributable to our investment in CLOs that may differ from the distributions received in respect of such investments. Although we do not presently expect to do so, we are authorized to borrow funds, to sell assets and to make taxable distributions of our stock and debt securities in order to satisfy distribution requirements. Our ability to dispose of assets to meet our distribution requirements may be limited by (1) the illiquid nature of our portfolio and/or (2) other requirements relating to our status as a RIC, including the Diversification Tests. If we dispose of assets in order to meet the Annual Distribution Requirement or the Excise Tax Avoidance Requirement, we may make such dispositions at times that, from an investment standpoint, are not advantageous. If we are unable to obtain cash from other sources to satisfy the Annual Distribution Requirement, we may fail to qualify for tax treatment as a RIC and become subject to tax as a corporation.

Under the 1940 Act, we are not permitted to make distributions to our stockholders while our debt obligations and other senior securities are outstanding unless certain "asset coverage" tests are met. If we are prohibited to make distributions, we may fail to qualify for tax treatment as a RIC and become subject to tax as an ordinary corporation.

20

---

We have purchased and may in the future purchase residual or subordinated interests in CLOs that are treated for U.S. federal income tax purposes as shares in a "passive foreign investment company" or a PFIC. We may be subject to U.S. federal income tax on our allocable share of a portion of any "excess distribution" received on, or any gain from the disposition of, such shares. Additional charges, in the nature of interest, generally will be imposed on us in respect of deferred taxes arising from any such excess distribution or gain. This additional tax and interest may apply even if we make a distribution in an amount equal to any "excess distribution" or gain from the disposition of such shares as a taxable dividend by us to our **shareholders, stockholders**. If we elect to treat a PFIC as a "qualified electing fund" under the Code (a "QEF"), in lieu of the foregoing requirements, we will be required to include in income each year our proportionate share of the ordinary earnings and net capital gain of the QEF, even if such income is

---

21

not distributed by the QEF. Alternatively, we may be able to elect to mark-to-market at the end of each taxable year our shares in a PFIC; in this case, we will recognize as ordinary income our allocable share of any increase in the value of such shares, and as ordinary loss our allocable share of any decrease in such value to the extent that any such decrease does not exceed prior increases included in our income. Under either election, we may be required to recognize in a year income in excess of distributions from PFICs and proceeds from dispositions of PFIC shares during that year, and such income will nevertheless be subject to the Annual Distribution Requirement and will be taken into account for purposes of the Excise Tax Avoidance Requirement.

If we hold more than 10% of the shares in a foreign corporation that is treated as a controlled foreign corporation or a CFC (including equity tranche investments in a CLO treated as a CFC), we may be treated as receiving a deemed distribution (taxable as ordinary income) each year from such foreign corporation in an amount equal to our pro rata share of the corporation's income for the tax year (including both ordinary earnings and capital gains), whether or not the corporation makes an actual distribution during such year. This deemed distribution is required to be included in the income of a U.S. Stockholder (as defined below) of a CFC regardless of whether the stockholder has made a QEF election with respect to such CFC. In general, a foreign corporation will be classified as a CFC if more than 50% of the shares of the corporation, measured by reference to combined voting power or value, is owned (directly, indirectly or by attribution) by U.S. Stockholders. A "U.S. Stockholder," for this purpose, is any U.S. person that possesses (actually or constructively) 10% or more of the combined voting power or value of all classes of shares of a corporation. If we are treated as receiving a deemed distribution from a CFC, we will be required to include such distribution in our investment company taxable income regardless of whether we receive any actual distributions from such CFC, and we must distribute such income to satisfy the Annual Distribution Requirement and the Excise Tax Avoidance Requirement.

Income inclusions from a QEF or a CFC will be "good income" for purposes of the 90% Income Test provided that they are derived in connection with our business of investing in stocks and securities or the QEF or the CFC distribute such income to us in the same taxable year to which the income is included in our income.

#### **Failure to Qualify as a RIC**

If we were unable to qualify for treatment as a RIC, and certain cure provisions are not met, we would be subject to tax on all of our taxable income at regular corporate rates, regardless of whether we make any distributions to our stockholders. Distributions would not be required, and any distributions made would be taxable to our stockholders as ordinary dividend income that, subject to certain limitations, may be eligible for the 20.0% maximum rate to the extent of our current and accumulated earnings and profits provided certain holding period and other requirements were met. Subject to certain limitations under the Code, corporate distributees would be eligible for the dividends-received deduction. Distributions in excess of our current and accumulated earnings and profits would be treated first as a return of capital to the extent of the stockholder's adjusted tax basis, and any remaining distributions would be treated as a capital gain. To requalify as a RIC in a subsequent taxable year, we would be required to satisfy the RIC qualification requirements for that year and dispose of any earnings and profits from any year in which we failed to qualify as a RIC. Subject to a limited exception applicable to RICs that qualified as such under the Code for at least one year prior to disqualification and that requalify as a RIC no later than the second year following the nonqualifying year, we would be subject to tax on any unrealized net built-in gains in the assets held by us during the period in which we failed to qualify as a RIC that are recognized within the subsequent 5 years, unless we made a special election to pay U.S. federal income tax at corporate rates on such built-in gains at the time of our requalification as a RIC.

---

21

#### **REGULATION AS A BUSINESS DEVELOPMENT COMPANY**

##### **General**

A BDC is regulated by the 1940 Act. A BDC must be organized in the United States for the purpose of investing in or lending to primarily private companies and making managerial assistance available to them. A BDC may use capital provided by public stockholders and from other sources to invest in

long-term, private investments in businesses. A BDC provides stockholders the ability to retain the liquidity of a publicly traded stock, while sharing in the possible benefits, if any, of investing in primarily privately owned companies.

We may not change the nature of our business so as to cease to be, or withdraw our election as, a BDC unless authorized by the vote of a majority of the outstanding voting securities, as required by the 1940 Act. A majority of the outstanding voting securities of a company is defined under the 1940 Act as the lesser of: (i) 67% or more of such company's voting securities present at a meeting if more than 50% of the outstanding voting securities of such company are present or represented by proxy, or (ii) more than 50% of the outstanding voting securities of such company. We currently do not anticipate any substantial change in the nature of our business.

As with other companies regulated by the 1940 Act, a BDC must adhere to certain substantive regulatory requirements. A majority of our directors must be persons who are not "interested persons," as that term is defined in Section 2(a)(19) of the 1940 Act. Additionally, we are required to provide and maintain a bond issued by a reputable fidelity insurance company to protect the BDC. Furthermore, as a BDC, we are prohibited from protecting any director or officer against any liability to the company or our stockholders arising from willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of such person's office.

As a BDC, we are required to meet a coverage ratio of the value of total assets to total senior securities, which includes all of our borrowings and any preferred stock we may issue in the future. On April 6, 2018, the Board, including a "required majority" (as such term is defined in Section 57(o) of the 1940 Act) of the Board, approved the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act. As a result, our asset coverage requirement under the 1940 Act for senior securities was changed from 200% to 150%, effective as of April 6, 2019. In other words, under the 1940 Act, we are able to borrow \$2 for investment purposes for every \$1 of investor equity. We may also be prohibited under the 1940 Act from knowingly participating in certain transactions with our affiliates without the prior approval of our directors who are not interested persons and, in some cases, prior approval by the SEC.

We are not generally able to sell our common stock at a price below net asset value per share. Refer to "Risk Factors — Risks Relating to our Business and Structure — Regulations governing our operation as a BDC affect our ability to, and the way in which we raise additional capital, which may expose us to risks, including the typical risks associated with leverage." We may, however, sell our common stock at a price below net asset value per share (i) in connection with a rights offering to our existing stockholders, (ii) with the consent of the majority of our common stockholders, or (iii) under such other circumstances as the SEC may permit. For example, we may sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then current net asset value of our common stock if our Board determines that such sale is in our best interests and the best interests of our stockholders, and our stockholders approve our policy and practice of making such sales. In any such case, under such circumstances, the price at which our common stock is to be issued and sold may not be less than a price which, in the determination of our Board, closely approximates the market value of such common stock. In addition, we may generally issue new shares of our common stock at a price below the net asset value in rights offerings to existing stockholders, in payment of distributions and in certain other limited circumstances.

We may be examined by the SEC for compliance with the 1940 Act.

As a BDC, we are subject to certain risks and uncertainties. Refer to "Item 1A. Risk Factors — Risks Relating to our Business and Structure."

### **Qualifying Assets**

As a BDC, we may not acquire any asset other than "qualifying assets" unless, at the time we make the acquisition, the value of our qualifying assets represent at least 70% of the value of our total assets. The principal categories of qualifying assets relevant to our business are:

- securities purchased in transactions not involving any public offering, the issuer of which is an eligible portfolio company;
- securities received in exchange for or distributed with respect to securities described in the bullet above or pursuant to the exercise of options, warrants or rights relating to such securities; and
- cash, cash items, government securities or high quality debt securities (within the meaning of the 1940 Act), maturing in one year or less from the time of investment.

An eligible portfolio company is generally a domestic company that is not an investment company (other than a small business investment company wholly owned by a BDC) and that:

- does not have a class of securities with respect to which a broker may extend margin credit at the time the acquisition is made;
- is controlled by the BDC and has an affiliate of the BDC on its board of directors;
- does not have any class of securities listed on a national securities exchange;
- is a public company that lists its securities on a national securities exchange with a market capitalization of less than \$250 million; or
- meets such other criteria as may be established by the SEC.

Control, as defined by the 1940 Act, is presumed to exist where a BDC beneficially owns more than 25% of the outstanding voting securities of the portfolio company.

In addition, a BDC must have been organized and have its principal place of business in the United States and must be operated for the purpose of making investments in eligible portfolio companies, or in other securities that are consistent with its purpose as a BDC.

#### **Significant Managerial Assistance**

BDCs generally must offer to make available to the issuer of the securities significant managerial assistance, except in circumstances where either (i) the BDC controls such issuer of securities or (ii) the BDC purchases such securities in conjunction with one or more other persons acting together and one of the other persons in the group makes available such managerial assistance. Making available managerial assistance means, among other things, any arrangement whereby the BDC offers to provide, and, if accepted, does so provide, significant guidance and counsel concerning the management, operations or business objectives and policies of a portfolio company. The Administrator or its affiliate provides such managerial assistance on our behalf to portfolio companies that request this assistance.

#### **Code of Ethics and Insider Trading Policy**

As required by the 1940 Act, we maintain a Code of Ethics and Insider Trading Policy, or "Code of Ethics," that establishes procedures for personal investments and restricts certain transactions by our personnel. Refer to "Item 1A. Risk Factors — Risks Relating to our Business and Structure — There are significant potential conflicts of interest between OXSQ and our management team." Our Code of Ethics generally does not permit investments by our employees in securities that may be purchased or held by us. The Code of Ethics is available on the EDGAR Database on the SEC's website at <http://www.sec.gov>. You may obtain copies of the Code of Ethics, after paying a duplicating fee, by electronic request at the following email address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov). Our Code of Ethics is also available on our website at <http://oxfordsquarecapital.com/>.

23

---

#### **Compliance Policies and Procedures**

We and Oxford Square Management have adopted and implemented written policies and procedures reasonably designed to prevent violation of the federal securities laws, and are required to review these compliance policies and procedures annually for their adequacy and the effectiveness of their implementation, and to designate a Chief Compliance Officer to be responsible for administering the policies and procedures.

#### **Sarbanes-Oxley Act of 2002**

The Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") imposes a wide variety of regulatory requirements on publicly-held companies and their insiders. Many of these requirements affect us. For example:

- pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), our Chief Executive Officer and Chief Financial Officer must certify the accuracy of the financial statements contained in our periodic reports;

24

---

- pursuant to Item 307 of Regulation S-K, our periodic reports must disclose our conclusions about the effectiveness of our disclosure controls and procedures;
- pursuant to Rule 13a-15 of the Exchange Act, our management must prepare a report regarding its assessment of our internal control over financial reporting; and
- pursuant to Item 308 of Regulation S-K and Rule 13a-15 of the Exchange Act, our periodic reports must disclose whether there were significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation, including

any corrective actions with regard to significant deficiencies and material weaknesses.

The Sarbanes-Oxley Act requires us to review our current policies and procedures to determine whether we comply with the Sarbanes-Oxley Act and the regulations promulgated thereunder. We will continue to monitor our compliance with all regulations that are adopted under the Sarbanes-Oxley Act and will take actions necessary to ensure that we are in compliance therewith.

#### **Proxy Voting Policies and Procedures**

We have delegated our proxy voting responsibility to our investment adviser, Oxford Square Management. The Proxy Voting Policies and Procedures of Oxford Square Management are set forth below. The guidelines are reviewed periodically by Oxford Square Management, and, accordingly, are subject to change.

##### *Introduction*

As an investment adviser registered under the Advisers Act, Oxford Square Management has a fiduciary duty to act solely in the best interests of its clients. As part of this duty, Oxford Square Management recognizes that it must vote client securities in a timely manner free of conflicts of interest and in the best interests of its clients.

These policies and procedures for voting proxies for Oxford Square Management's investment advisory clients are intended to comply with Section 206 of, and Rule 206(4)-6 under, the Advisers Act.

##### **Proxy Policies**

Oxford Square Management will vote proxies relating to our portfolio securities in the best interests of **our** the Company's stockholders. Oxford Square Management will review on a case-by-case basis each proposal submitted to a stockholder vote to determine its impact on the portfolio securities held by us. Although Oxford Square Management will generally vote against proposals that may have a negative impact on our portfolio securities, it may vote for such a proposal if there exist compelling long-term reasons to do so. Oxford Square Management will abstain from voting only in unusual circumstances and where there is a compelling reason to do so.

The proxy voting decisions of Oxford Square Management are made by the senior officers of Oxford Square Management who are responsible for monitoring each of our investments. To ensure that its vote is not the product of a conflict of interest, Oxford Square Management requires that: (i) anyone involved in the decision making process disclose to Oxford Square Management's Chief Compliance Officer any potential conflict that he or she is

---

24

aware of and any contact that he or she has had with any interested party regarding a proxy vote; and (ii) employees involved in the decision making process or vote administration are prohibited from revealing how Oxford Square Management intends to vote on a proposal without the prior approval of the Chief Compliance Officer and senior management in order to reduce any attempted influence from interested parties.

##### **Proxy Voting Records**

You may obtain information about how Oxford Square Management voted proxies by making a written request for proxy voting information to: Chief Compliance Officer, Oxford Square Management, LLC, 8 Sound Shore Drive, Suite 255, Greenwich, CT 06830.

---

25

##### **Periodic Reporting and Audited Financial Statements**

We have registered our common stock under the Exchange Act, and have reporting obligations thereunder, including the requirement that we file annual and quarterly reports with the SEC. In accordance with the requirements of the Exchange Act, this annual report contains financial statements audited and reported on by our independent registered public accounting firm. You may obtain our annual reports on Form 10-K, our quarterly reports on Form 10-Q, and our current reports on Form 8-K on our website at <http://oxfordsquarecapital.com/> free of charge as soon as reasonably practicable after we file such reports electronically with the SEC.

##### **NASDAQ Global Select Market Requirements**

We have adopted certain policies and procedures intended to comply with the NASDAQ Global Select Market's corporate governance rules. We will continue to monitor our compliance with all future listing standards that are approved by the SEC and will take actions necessary to ensure that we are in compliance therewith.

## Item 1A. Risk Factors

*Investing in our securities involves a number of significant risks. In addition to the other information contained in this Annual Report on Form 10-K, you should consider carefully the following information before making an investment in our securities. The risk factors described below are the principal risk factors associated with an investment in our securities, as well as those factors generally associated with a business development company with investment objectives, investment policies, capital structure or trading markets similar to ours, including the risks associated with investing in a portfolio of small and developing or financially troubled businesses. Additional risks and uncertainties not presently known to us or not presently deemed material by us might also impair our operations and performance. If any of the following events occur, our business, financial condition and results of operations could be materially and adversely affected. In such case, our net asset value and the trading price of our securities could decline, and you may lose all or part of your investment.*

### RISKS RELATING TO OUR BUSINESS AND STRUCTURE

**Any failure on our part to maintain our status as a business development company BDC would reduce our operating flexibility, including our ability to borrow money.**

If we do not remain a BDC, we might be regulated as a closed-end investment company under the 1940 Act, which would subject us to substantially more regulatory restrictions under the 1940 Act and correspondingly decrease our operating flexibility, including our ability to borrow money.

**We are dependent upon Oxford Square Management's key management personnel for our future success, particularly Jonathan H. Cohen and Saul B. Rosenthal.**

We depend on the diligence, skill and network of business contacts of the senior management of Oxford Square Management. The senior management, together with other investment professionals, will evaluate, negotiate, structure, close, monitor and service our investments. Our future success will depend to a significant extent on the continued service and coordination of the senior management team, particularly Jonathan H. Cohen, the Chief Executive Officer of Oxford Square Management, and Saul B. Rosenthal, the President and Chief Operating Officer of Oxford Square Management. Neither Mr. Cohen nor Mr. Rosenthal will devote all of their business time to our operations, and both will have other demands on their time as a result of their other activities. Neither Mr. Cohen

25

---

nor Mr. Rosenthal is subject to an employment contract. The departure of either of these individuals could have a material adverse effect on our ability to achieve our investment objective. In addition, due to Oxford Square Management's relatively small staff size, the departure of any of Oxford Square Management's personnel, including investment, accounting and compliance professionals, could have a material adverse effect on us.

**Our financial condition and results of operations will depend on our ability to manage our existing portfolio and future growth effectively.**

Our ability to achieve our investment objective will depend on our ability to manage our existing investment portfolio and to grow, which will depend, in turn, on our investment adviser's ability to identify, analyze, invest in and finance companies that meet our investment criteria, and our ability to raise and retain debt and equity capital.

26

---

Accomplishing this result on a cost-effective basis is largely a function of our investment adviser's structuring of the investment process, its ability to provide competent, attentive and efficient services to us and our access to financing on acceptable terms.

We and Oxford Square Management, through its managing member, Oxford Funds, will need to continue to hire, train, supervise and manage new employees. Failure to manage our future growth effectively could have a material adverse effect on our business, financial condition and results of operations.

**We operate in a highly competitive market for investment opportunities.**

A large number of entities compete with us to make the types of investments that we make. We compete with a large number of hedge funds and CLO investment vehicles, other equity and non-equity based investment funds, including other BDCs, investment banks and other sources of financing, including traditional financial services companies such as commercial banks and specialty finance companies. Many of our competitors are substantially larger than us and have considerably greater financial, technical and marketing resources than we do. For example, some competitors may have a lower cost of funds and access to funding sources that are not available to us. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of investments and establish more relationships than us. Furthermore, many of our competitors are not subject to the regulatory restrictions that the 1940 Act imposes on us as a BDC. If we are unable to source attractive investments, we may hold a greater percentage of

our assets in cash than anticipated, which could impact potential returns on our portfolio. There can be no assurance that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations. Also, as a result of this competition, we may not be able to take advantage of attractive investment opportunities from time to time, and we can offer no assurance that we will be able to identify and make investments that are consistent with our investment objective.

**Our business model depends to a significant extent upon strong referral relationships with financial sponsors, and the inability of the senior investment professionals of our investment adviser to maintain or develop these relationships, or the failure of these relationships to generate investment opportunities, could adversely affect our business.**

We expect that the principals of our investment adviser will maintain and develop their relationships with financial sponsors, brokers and agents and we will rely to a significant extent upon these relationships to provide us with potential investment opportunities. If the senior investment professionals of our investment adviser fail to maintain their existing relationships or develop new relationships with other sponsors or sources of investment opportunities, we will not be able to grow our investment portfolio. In addition, individuals with whom the senior investment professionals of our investment adviser have relationships are not obligated to provide us with investment opportunities, and, therefore, there is no assurance that such relationships will generate investment opportunities for us. If our investment adviser is unable to source investment opportunities, we may hold a greater percentage of our assets in cash than anticipated, which could impact potential returns on our portfolio.

**There will be uncertainty as to the value of our portfolio investments, which may impact our net asset value.**

A large percentage of our portfolio investments are in the form of securities that are not publicly traded. The fair value of securities and other investments that are not publicly traded may not be readily determinable. We value these securities on a quarterly basis in accordance with our valuation policy, which is consistent with U.S. generally

26

---

accepted accounting principles ("GAAP"). Our board of directors utilizes the services of third-party valuation firms to aid it in determining the fair value of certain securities. The board of directors discusses valuations and determines the fair value in good faith based on the input of our investment adviser and the respective third-party valuation firms. The factors that may be considered in fair value pricing our investments include the nature and realizable value of any collateral, the portfolio company's ability to make payments and its earnings, the markets in which the portfolio company does business, comparisons to publicly traded companies, discounted cash flow and other relevant factors. Because such valuations, and particularly valuations of private securities and private companies, are inherently uncertain, may fluctuate over short periods of time and may be based on estimates, our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Our net asset value could be adversely affected if our determinations regarding the fair value of our investments were materially higher than the values that we ultimately realize upon the disposal of such securities.

27

---

**Market conditions affect debt and equity capital markets in the U.S. and abroad and may in the future have a negative impact on our business and operations.**

Equity capital may be difficult to raise because, subject to some limited exceptions which apply to us, as a BDC we are generally not able to issue additional shares of our common stock at a price less than net asset value. In addition, our ability to incur indebtedness (including by issuing preferred stock) is limited by applicable regulations such that our asset coverage, as defined in the 1940 Act, must equal at least 150% immediately after each time we incur indebtedness. The debt capital that will be available, if at all, may be at a higher cost and on less favorable terms and conditions in the future. Any inability to raise capital could have a negative effect on our business, financial condition and results of operations.

The illiquidity of our investments may make it difficult for us to sell such investments if required. As a result, we may realize significantly less than the value at which we have recorded our investments. In addition, significant changes in the capital markets, including the recent period of extreme volatility and disruption, have had, and may in the future have, a negative effect on the valuations of our investments and on the potential for liquidity events involving our investments. An inability to raise capital, and any required sale of our investments for liquidity purposes, could have a material adverse impact on our business, financial condition or results of operations.

**Further downgrades of the U.S. credit rating, impending automatic spending cuts or another government shutdown could negatively impact our liquidity, financial condition and earnings.**

U.S. debt ceiling and budget deficit concerns have increased the possibility of additional credit-rating downgrades and economic slowdowns, or a recession in the United States. Although U.S. lawmakers passed legislation to raise the federal debt ceiling on multiple occasions, ratings agencies have

lowered or threatened to lower the long-term sovereign credit rating on the United States. The impact of this or any further downgrades to the U.S. government's sovereign credit rating or its perceived creditworthiness could adversely affect the U.S. and global financial markets and economic conditions. Absent further quantitative easing by the Federal Reserve, these developments could cause interest rates and borrowing costs to rise, which may negatively impact our ability to access the debt markets on favorable terms. In addition, disagreement over the federal budget has caused the U.S. federal government to shut down for periods of time. Continued adverse political and economic conditions could have a material adverse effect on our business, financial condition and results of operations.

**Our business is subject to increasingly complex corporate governance, public disclosure and accounting requirements that could adversely affect our business and financial results.**

We are subject to changing rules and regulations of federal and state government as well as the stock exchange on which our common stock is listed. These entities, including the Public Company Accounting Oversight Board, the SEC and the NASDAQ Stock Market, have issued a significant number of new and increasingly complex requirements and regulations over the course of the last several years and continue to develop additional regulations and requirements in response to laws enacted by Congress. Our efforts to comply with these requirements have resulted in, and are likely to continue to result in, an increase in expenses and a diversion of management's time from other business activities.

27

---

**A disruption in the capital markets and the credit markets could negatively affect our business.**

As a BDC, we seek to maintain our ability to raise additional capital for investment purposes. Without sufficient access to the capital markets or credit markets, we may not be able to pursue new business opportunities. Disruptive conditions in the financial industry and the impact of new legislation in response to those conditions could restrict our business operations and could adversely impact our results of operations and financial condition.

Our ability to grow our business could be impaired by an inability to access the capital markets or to enter into new credit facilities. Reflecting concern about the stability of the financial markets, many lenders and institutional investors have reduced or ceased providing funding to borrowers. This market disruption and tightening of credit has led to increased market volatility and widespread reduction of business activity generally. If we are unable to raise additional equity capital or consummate new credit facilities on terms that are acceptable to us, we may not be able to initiate significant originations.

28

---

These situations may arise due to circumstances that we may be unable to control, such as access to the credit markets, a severe decline in the value of the U.S. dollar, another economic downturn or an operational problem that affects third parties or us, and could materially harm our business. Even though such conditions have improved broadly and significantly over the short-term, adverse conditions in particular sectors of the financial markets could adversely impact our business over the long-term.

**Even in the event the value of your investment declines, the Base Fee and, in certain circumstances, the Net Investment Income Incentive Fee will still be payable.**

The Base Fee is calculated as a percentage of our gross assets at a specific time. Accordingly, the Base Fee will be payable regardless of whether the value of our gross assets and/or your investment have decreased. Moreover, a portion of the incentive fee is payable if our net investment income for a calendar quarter exceeds a designated hurdle rate. Although this portion of the incentive fee (the Net Investment Income Incentive Fee) is subject to the Total Return Requirement, the Net Investment Income Incentive Fee may still be payable during a quarter with net capital losses. Accordingly, this portion of our adviser's incentive fee may also be payable notwithstanding a decline in net asset value that quarter. In addition, in the event we recognize PIK loan interest or PIK preferred dividends in excess of our available capital, we may be required to liquidate assets in order to pay a portion of the incentive fee. Oxford Square Management, however, is not required to reimburse us for the portion of any fees attributable to accrued deferred loan interest or dividends in the event of a default or other non-payment by the obligor.

**Price declines and illiquidity in the corporate debt markets have adversely affected, and may continue to adversely affect, the fair value of our portfolio investments, reducing our net asset value through increased net unrealized depreciation. Any unrealized depreciation that we experience on our loan portfolio may be an indication of future realized losses, which could reduce our income available for distribution and could adversely affect our ability to service our outstanding borrowings.**

As a BDC, we are required to carry our investments at fair value as determined in good faith by or under the direction of our Board of Directors. Decreases in fair values of our investments are recorded as unrealized depreciation. Any unrealized depreciation in our loan portfolio could be an indication of a portfolio company's inability to meet its repayment obligations to us with respect to the affected loans. This could result in realized losses in the future and

ultimately in reductions of our income available for distribution in future periods and could materially adversely affect our ability to service our outstanding borrowings. Depending on market conditions, we may incur substantial losses in future periods, which could have a material adverse impact on our business, financial condition and results of operations.

**PIK interest/dividend payments we receive will increase our assets under management and, as a result, will increase the amount of Base Fee and incentive fees payable by us to our investment adviser.**

Certain of our debt and preferred stock investments contain provisions providing for the payment of contractual PIK interest or dividends. Because PIK interest/dividends results in an increase in the size of the loan/preferred stock balance of the underlying investment, the receipt by us of PIK interest/dividend will have the effect of increasing our assets under management. As a result, because the Base Fee that we pay to our investment

28

---

adviser is based on the value of our gross assets, the receipt by us of PIK interest/dividend will result in an increase in the amount of the Base Fee payable by us. In addition, any such increase in an investment balance due to the receipt of PIK interest/dividend will cause such investment to accrue interest/dividend on the higher investment balance, which will result in an increase in our pre-incentive fee net investment income and, as a result, a potential increase in incentive fees that are payable by us to our investment adviser.

**Our investment adviser is not obligated to reimburse us for any part of the incentive fee it receives that is based on accrued income that we never receive.**

Part of the incentive fee payable by us to our investment adviser that relates to our net investment income is computed and paid on income that may include interest that has been accrued but not yet received in cash, such as market discount, debt instruments with PIK interest, preferred stock with PIK dividends and zero coupon securities. If a portfolio company defaults on a loan that is structured to provide accrued interest, it is possible that accrued interest previously used in the calculation of the incentive fee will become uncollectible. Our investment adviser will

29

---

not be under any obligation to reimburse us for any part of the incentive fee it received that was based on accrued income that we never receive as a result of a default by an entity on the obligation that resulted in the accrual of such income.

**Our investment adviser can resign on 60 days' notice, and we may not be able to find a suitable replacement within that time, resulting in a disruption in our operations that could adversely affect our financial condition, business and results of operations.**

Our investment adviser has the right, under our investment advisory agreement, to resign at any time upon 60 days' written notice, whether we have found a replacement or not. If our investment adviser resigns, we may not be able to find a new investment adviser or hire internal management with similar expertise and ability to provide the same or equivalent services on acceptable terms within 60 days, or at all. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected and the market price of our shares may decline. In addition, the coordination of our internal management and investment activities is likely to suffer if we are unable to identify and reach an agreement with a single institution or group of executives having the expertise possessed by our investment adviser and its affiliates. Even if we are able to retain comparable management, whether internal or external, the integration of such management and their lack of familiarity with our investment objective may result in additional costs and time delays that may adversely affect our financial condition, business and results of operations.

**We are permitted to borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing in us.**

Borrowings, also known as leverage, magnify the potential for gain or loss on amounts invested and, therefore, increase the risks associated with investing in our securities. We may borrow from and issue senior debt securities to banks, insurance companies, and other lenders. Lenders of these senior securities have fixed dollar claims on our assets that are superior to the claims of our common stockholders. If the value of our assets increases, then leveraging would cause the net asset value attributable to our common stock to increase more sharply than it would have had we not leveraged. Conversely, if the value of our assets decreases, leveraging would cause net asset value to decline more sharply than it otherwise would have had we not leveraged. Similarly, any increase in our income in excess of interest payable on the borrowed funds would cause our net income to increase more than it would without the leverage, while any decrease in our income would cause net income to decline more sharply than it would have had we not borrowed. Such a decline could negatively affect our ability to make common stock distribution payments. Leverage is generally considered a speculative investment technique. Our ability to service any debt that we incur will depend largely on our financial performance and will be subject to prevailing economic conditions and competitive pressures. Moreover, as the Base Fee (and a portion of the incentive fee) payable to Oxford Square Management will be payable on our gross assets, including those

assets acquired through the use of leverage, Oxford Square Management may have a financial incentive to incur leverage which may not be consistent with our stockholders' interests. In addition, our common stockholders will bear the burden of any increase in our expenses as a result of leverage, including any increase in the Base Fee (and incentive fee) payable to Oxford Square Management.

29

Our asset coverage requirement under the 1940 Act for senior securities is 150%, effective as of April 6, 2019. If we incur additional leverage, general interest rate fluctuations may have a more significant negative impact on our investments and investment opportunities than they would have absent such additional incurrence, and, accordingly, may have a material adverse effect on our investment objectives and rate of return on investment capital.

On April 12, 2017, we completed a public offering of approximately \$64.4 million in aggregate principal amount of 6.50% Unsecured Notes. The 6.50% Unsecured Notes will mature on March 30, 2024, and may currently be redeemed in whole or in part at any time or from time to time at our option on or after March 30, 2020. The 6.50% Unsecured Notes bear interest at a rate of 6.50% per year payable quarterly on March 30, June 30, September 30 and December 30. The 6.50% Unsecured Notes are our general unsecured obligations, rank equally in right of payment with our future senior unsecured debt, and rank senior in right of payment to any potential subordinated debt, should any be issued in the future.

On April 3, 2019, we completed an underwritten public offering of approximately \$44.8 million in aggregate principal amount of 6.25% Unsecured Notes. The 6.25% Unsecured Notes will mature on April 30, 2026, and may be redeemed in whole or in part at any time or from time to time at our option on or after April 30, 2022. The 6.25% Unsecured Notes bear interest at a rate of 6.25% per year payable quarterly on January 31, April 30, July 31, and October 31, of each year. The 6.25% Unsecured Notes are our general unsecured obligations, rank equally in right of payment with our future senior unsecured debt, and rank senior in right of payment to any potential subordinated debt, should any be issued in the future.

30

On May 20, 2021, the Company completed an underwritten public offering of approximately \$80.5 million in aggregate principal amount of 5.50% Unsecured Notes. The 5.50% Unsecured Notes will mature on July 31, 2028, and may be redeemed in whole or in part at any time or from time to time at the Company's option on or after May 31, 2024. The 5.50% Unsecured Notes bear interest at a rate of 5.50% per year payable quarterly on January 31, April 30, July 31, and October 31, of each year. The 5.50% Unsecured Notes are our general unsecured obligations, rank equally in right of payment with our future senior unsecured debt, and rank senior in right of payment to any potential subordinated debt, should any be issued in the future.

*Illustration.* The following table illustrates the effect of leverage on returns from an investment in our common stock assuming various annual returns on the portfolio, net of expenses. The calculations in the table below are hypothetical and actual returns may be higher or lower than those appearing in the table below.

	Assumed total return on our portfolio (net of expenses)				
	(10.0)%	(5.0)%	0.0%	5.0%	10.0%
Corresponding return to stockholder <sup>(1)</sup>	(32.6)%	(20.7)%	(8.9)%	2.9%	14.7%

	Assumed total return on our portfolio (net of expenses)				
	(10.0)%	(5.0)%	0.0%	5.0%	10.0%
Corresponding return to stockholder <sup>(1)</sup>	(23.5)%	(14.4)%	(5.2)%	4.0%	13.2%

(1) Assumes \$328.0 \$277.7 million in total assets and \$189.7 \$125.3 million in total debt principal outstanding, which reflects our total assets and total debt outstanding as of December 31, 2022 December 31, 2023, and a cost of funds of approximately 6.5% 6.26%.

Our portfolio must have an annual return of at least 3.8% 2.83% in order to cover the annual interest payments on our current borrowings.

**If we are unable to comply with the covenants or restrictions in our borrowings, our business could be materially adversely affected.**

Our borrowings may include covenants, among others, that, subject to exceptions, restrict our ability to pay distributions, create liens on assets, make investments, make acquisitions and engage in mergers or consolidations. Complying with these restrictions may prevent us from taking actions that we believe would help us grow our business or are otherwise consistent with our investment objective. These restrictions could also limit our ability to plan for or react to

market conditions or meet extraordinary capital needs or otherwise restrict corporate activities. In addition, certain covenants or restrictions could limit our ability to make distributions to our stockholders in certain circumstances, which could result in us failing to qualify for tax treatment as a RIC and thus becoming subject to U.S. federal income tax at corporate rates (and any applicable state and local taxes).

The breach of any of the covenants or restrictions, unless cured within the applicable grace period, would result in a default under our borrowings that would permit the lender thereunder to declare all amounts outstanding to be due and payable. In such an event, we may not have sufficient assets to repay such indebtedness. As a result,

30

---

any default could have serious consequences to our financial condition. An event of default or an acceleration under any future borrowings also cause a cross-default or cross-acceleration of another debt instrument or contractual obligation, which would adversely impact our liquidity.

**The terms of our future borrowings may contractually limit our ability to incur additional indebtedness.**

We will need additional capital to fund new investments and grow our portfolio of investments. We intend to access the capital markets periodically to issue debt or equity securities or borrow from financial institutions in order to obtain such additional capital. We believe that having the flexibility to incur additional leverage could augment the returns to our stockholders and would be in the best interests of our stockholders. Contractual leverage limitations under our future borrowings may limit our ability to incur additional indebtedness. An inability on our part to access additional leverage could limit our ability to take advantage of the benefits described above related to our ability to incur additional leverage and could decrease our earnings, if any, which would have an adverse effect on our results of operations and the value of our shares of common stock.

**We may need to raise additional capital to grow because we must distribute most of our income.**

We may need additional capital to fund growth in our investments. We expect to issue equity securities and expect to borrow from financial institutions in the future. A reduction in the availability of new capital could limit our ability to grow. We must distribute at least 90% of our investment company taxable income to our stockholders to maintain our tax treatment as a **regulated investment company, RIC**. As a result, any such cash earnings may not be available to fund investment originations. We expect to borrow from financial institutions and issue additional debt and equity securities. If we

31

---

fail to obtain funds from such sources or from other sources to fund our investments, it could limit our ability to grow, which may have an adverse effect on the value of our securities. In addition, as a BDC, our ability to borrow or issue preferred stock may be restricted if our total assets are less than 150% of our total borrowings and preferred stock.

**Regulations governing our operation as a BDC affect our ability to, and the way in which we raise additional capital, which may expose us to risks, including the typical risks associated with leverage.**

Our ability to grow our business requires a substantial amount of capital, which we may acquire from the following sources:

*Senior Securities and Other Indebtedness*

We may issue debt securities or preferred stock and/or borrow money from banks or other financial institutions, which we refer to collectively as "senior securities," up to the maximum amount permitted by the 1940 Act. Under the provisions of the 1940 Act, we are permitted, as a BDC, to issue senior securities in amounts such that our asset coverage ratio, as defined in the 1940 Act, equals at least 150% immediately after each issuance of senior securities.

This requirement of sustaining a 150% asset coverage ratio limits the amount that we may borrow. Because we will continue to need capital to grow our loan and investment portfolio, this limitation may prevent us from incurring debt. Further additional debt financing may not be available on favorable terms, if at all, or may be restricted by the terms of our debt facilities. If we are unable to incur additional debt, we may be required to raise additional equity at a time when it may be disadvantageous to do so.

As a result of the issuance of senior securities, including preferred stock and debt securities, we are exposed to typical risks associated with leverage, including an increased risk of loss and an increase in expenses, which are ultimately borne by our common stockholders. Because we may incur leverage to make investments, a decrease in the value of our investments would have a greater negative impact on the value of our common stock. When we issue debt securities or preferred stock, it is likely that such securities will be governed by an indenture or other instrument containing covenants restricting our operating

flexibility. In addition, such securities may be rated by rating agencies, and in obtaining a rating for such securities, we may be required to abide by operating and investment guidelines that could further restrict our operating flexibility. Refer to “— We are permitted to borrow money, which magnifies the potential for gain or loss on amounts invested and may increase the risk of investing in us” for a description of our outstanding senior securities.

Our ability to pay distributions or issue additional senior securities may be restricted if our asset coverage ratio is not at least 150%. If the value of our assets declines, we may be unable to satisfy this test. If that happens, we may be required to sell a portion of our investments and, depending on the nature of our leverage, repay a portion of our indebtedness at a time when such sales may be disadvantageous. Furthermore, any amounts that we use to service our indebtedness would not be available for distributions to our common stockholders.

#### **Common Stock**

We are not generally able to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current net asset value of our common stock if our Board of Directors determines that such sale is in the best interests of the Company and its stockholders, and our stockholders approve such sale.

In certain limited circumstances, we may also issue shares at a price below net asset value in connection with a transferable rights offering so long as: (1) the offer does not discriminate among stockholders; (2) we use our best efforts to ensure an adequate trading market exists for the rights; and (3) the ratio of the offering does not exceed one new share for each three rights held. If we raise additional funds by issuing more common stock or senior securities convertible into, or exchangeable for, our common stock, the percentage ownership of our stockholders at that time would decrease and they may experience dilution. Moreover, we can offer no assurance that we will be able to issue and sell additional equity securities in the future, on favorable terms or at all.

#### **Our Board of Directors is authorized to reclassify any unissued shares of common stock into one or more classes of preferred stock, which could convey special rights and privileges to its owners.**

Our charter permits our Board of Directors to reclassify any authorized but unissued shares of stock into one or more classes of preferred stock. We are currently authorized to issue up to 100,000,000 shares of common stock, of which **49,871,062** 59,672,337 shares are issued and outstanding as of March **17, 2023**, **14, 2024**. In the event our Board of Directors opts to reclassify a portion of our unissued shares of common stock into a class of preferred stock, those preferred shares would have a preference over our common stock with respect to distributions and liquidation. The cost of any such reclassification would be borne by our existing common stockholders. The class voting rights of any preferred shares we may issue could make it more difficult for us to take some actions that may, in the future, be proposed by our Board of Directors and/or the holders of our common stock, such as a merger, exchange of securities, liquidation, or alteration of the rights of a class of our securities, if these actions were perceived by the holders of preferred shares as not in their best interests. The issuance of preferred shares convertible into shares of common stock might also reduce the net income and net asset value per share of our common stock upon conversion. These effects, among others, could have an adverse effect on your investment in our common stock.

#### **A change in interest rates may adversely affect our profitability and we may expose ourselves to risks if we engage in hedging transactions to mitigate changes in interest rates.**

Currently, all of the debt investments in our investment portfolio are at variable rates. In addition, our CLO equity investments are sensitive to risks associated with changes in interest rates. Although we have not done so in the past, we may in the future choose to hedge against interest rate fluctuations by using standard hedging instruments such as futures, forward contracts, options and interest rate swaps, caps, collars and floors to seek to hedge against fluctuations in the relative values of our portfolio positions from changes in market interest rates. Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. However, such hedging can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of such portfolio positions. Such hedging transactions may also limit the opportunity for gain if the values of the underlying portfolio positions should increase. It may not be possible to hedge against an interest rate fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at an acceptable price.

The success of our hedging transactions will depend on our ability to correctly predict movements in interest rates. Therefore, while we may enter into such transactions to seek to reduce interest rate risks, unanticipated changes in interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments

used in a hedging strategy and price movements in the portfolio positions being hedged may vary. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. To the extent we engage in hedging transactions, we also face the risk that counterparties to the derivative instruments we hold may default, which may expose us to unexpected losses from positions where we believed that our risk had been appropriately hedged. These activities may limit our ability to participate in the benefits of lower interest rates with respect to the hedged portfolio. Adverse developments resulting from changes in interest rates or hedging transactions could have a material adverse effect on our business, financial condition and results of operations. Also, we have limited experience in entering into hedging transactions, and we will initially have to purchase or develop such expertise if we choose to employ hedging strategies in the future.

**Our ability to enter into transactions involving derivatives and financial commitment transactions may be limited.**

Through comprehensive new global regulatory regimes impacting derivatives (e.g., the Dodd-Frank Act, European Market Infrastructure Regulation ("EMIR"), Markets in Financial Investments Regulation ("MIFIR")/Markets in Financial Instruments Directive ("MIFID II")), certain over-the-counter derivatives transactions in which we may engage are either now or will soon be subject to various requirements, such as mandatory central clearing of transactions which include additional margin requirements and in certain cases trading on electronic platforms, pre-and post-trade transparency reporting requirements and mandatory bi-lateral

exchange of initial margin for non-cleared swaps. The Dodd-Frank Act also created new categories of regulated market participants, such as "swap dealers," "security-based swap dealers," "major swap participants," and "major security-based swap participants" who are subject to significant new capital, registration, recordkeeping, reporting, disclosure, business conduct and other regulatory requirements. The European Unions ("EU") and some other jurisdictions are implementing similar requirements. Because these requirements are new and evolving (and some of the rules are not yet final), their ultimate impact remains unclear. However, even if the Company itself is not located in a particular jurisdiction or directly subject to the jurisdiction's derivatives regulations, we may still be impacted to the extent we enter into a derivatives transaction with a regulated market participant or counterparty that is organized in that jurisdiction or otherwise subject to that jurisdiction's derivatives regulations.

Based on information available as of the date of this annual report on Form 10-K, the effect of such requirements will be likely to (directly or indirectly) increase our overall costs of entering into derivatives transactions. In particular, new margin requirements, position limits and significantly higher capital charges resulting from new global capital regulations, even if not directly applicable to us, may cause an increase in the pricing of derivatives transactions entered into by market participants to whom such requirements apply or affect our overall ability to enter into derivatives transactions with certain counterparties. Such new global capital regulations and the need to satisfy the various requirements by counterparties are resulting in increased funding costs, increased overall transaction costs, and significantly affecting balance sheets, thereby resulting in changes to financing terms and potentially impacting our ability to obtain financing. Administrative costs, due to new requirements such as registration, recordkeeping, reporting, and compliance, even if not directly applicable to us, may also be reflected in our derivatives transactions. New requirements to trade certain derivatives transactions on electronic trading platforms and trade reporting requirements may lead to (among other things) fragmentation of the markets, higher transaction costs or reduced availability of derivatives, and/or a reduced ability to hedge, all of which could adversely affect the performance of certain of our trading strategies. In addition, changes to derivatives regulations may impact the tax and/or accounting treatment of certain derivatives, which could adversely impact us.

In November 2020, the SEC adopted new rules regarding the ability of a BDC (or a registered investment company) to use derivatives and other transactions that create future payment or delivery obligations. BDCs that use derivatives would be subject to a value-at-risk leverage limit, certain other derivatives risk management program and testing requirements and requirements related to board reporting. These new requirements would apply unless the BDC qualified as a "limited derivatives user," as defined in the SEC's adopted rules. **The Company intends to operate under the limited derivatives user exemption of Rule 18f-4 and has adopted written policies and procedures reasonably designed to manage the Company's derivatives risk pursuant to Rule 18f-4.** A BDC that enters into reverse repurchase agreements or similar financing transactions would need to aggregate the amount of indebtedness associated with the reverse repurchase agreements or similar financing transactions could either (i) comply with the asset coverage requirements of the Section 18 of the 1940 Act when engaging in reverse

repurchase agreements or (ii) choose to treat such agreements as derivative transactions under the adopted rule. Under the adopted rule, a BDC may enter into an unfunded commitment agreement that is not a derivatives transaction, such as an agreement to provide financing to a portfolio company, if the BDC has a reasonable belief, at the time it enters into such an agreement, that it will have sufficient cash and cash equivalents to meet its obligations with respect to all

of its unfunded commitment agreements, in each case as it becomes due. If the BDC cannot meet this test, it is required to treat unfunded commitments as a derivatives transaction subject to the requirements of the rule. Collectively, these requirements may limit our ability to use derivatives and/or enter into certain other financial contracts.

**There are significant potential conflicts of interest between the Company and its management team.**

In the course of our investing activities, we pay management and incentive fees to Oxford Square Management, and reimburse Oxford Funds for certain expenses it incurs on our behalf. As a result, investors in our common stock invest on a "gross" basis and receive distributions on a "net" basis after expenses, resulting in, among other things, a lower rate of return than one might achieve through direct investments. As a result of this arrangement, there may be times when the management team of Oxford Square Management has interests that differ from those of our stockholders, giving rise to a conflict.

34

---

Oxford Square Management receives a quarterly incentive fee based, in part, on our "Pre-Incentive Fee Net Investment Income," if any, for the immediately preceding calendar quarter. This incentive fee is subject to a quarterly hurdle rate before providing an incentive fee return to Oxford Square Management. To the extent we or Oxford Square Management are able to exert influence over our portfolio companies, the quarterly pre-incentive fee may provide Oxford Square Management with an incentive to induce our portfolio companies to accelerate or defer interest or other obligations owed to us from one calendar quarter to another.

In addition, our executive officers and directors, and the executive officers of Oxford Square Management, and its managing member, Oxford Funds, serve or may serve as officers and directors of entities that operate in a line of business similar to our own. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of us or our stockholders. Charles M. Royce, a member of our Board of Directors, holds a minority, non-controlling interest in our investment adviser.

Messrs. Cohen and Rosenthal currently serve as Chief Executive Officer and President, respectively, of Oxford Lane Capital Corp., a non-diversified closed-end management investment company that currently invests primarily in CLO debt and equity tranches, and its investment adviser, Oxford Lane Management. Messrs. Cohen and Rosenthal also currently serve as Chief Executive Officer and President, respectively, at Oxford Park Management, the investment adviser to Oxford Park Income Fund, Inc., a non-diversified closed-end management investment company that invests primarily in equity and junior debt tranches of CLO vehicles, and Oxford Gate Management, the investment adviser to the Oxford Gate Funds and Oxford Bridge II, LLC. Oxford LLC, Oxford Bridge II, LLC and Oxford Gate Funds are private funds that invest principally in CLO debt and equity. Oxford Funds is the managing member of Oxford Park Management, Oxford Lane Management and Oxford Gate Management, LLC. Management. As a result, certain conflicts of interest may arise with respect to the management of our portfolio by Messrs. Cohen and Rosenthal, on the one hand, and the obligations of Messrs. Cohen and Rosenthal to manage the portfolios of Oxford Lane Capital Corp., Oxford Park Income Fund, Inc., Oxford Bridge II, LLC and the Oxford Gate Funds, respectively, on the other hand. In addition, Bruce L. Rubin, our Chief Financial Officer, Corporate Secretary and Treasurer, currently serves in similar capacities for Oxford Lane Capital Corp. and Oxford Park Income Fund, Inc. Mr. Rubin also currently serves as the Chief Financial Officer and Secretary of Oxford Lane Management, Oxford Square Management, LLC, Oxford Gate Management, LLC, Oxford Park Management and Oxford Funds. Further, Mr. Gerald Cummins, our Chief Compliance Officer, currently serves in similar capacities for Oxford Lane Management, Oxford Lane Capital Corp., Oxford Square Management, LLC, and Oxford Gate Management, LLC. LLC, Oxford Park Income Fund, Inc. and Oxford Park Management. Because of these possible conflicts of interest, these individuals may direct potential business and investment opportunities to other entities rather than to us or such individuals may undertake or otherwise engage in activities or conduct on behalf of such other entities that is not in, or which may be adverse to, our best interests.

Oxford Square Management, Oxford Lane Management, LLC and Oxford Gate Management, LLC and Oxford Park Management are subject to a written policy with respect to the allocation of investment opportunities among Oxford Square, the Company, Oxford Lane Capital Corp., Oxford Bridge II, LLC, and the Oxford Gate Funds, Funds and Oxford Park Income Fund, Inc. Where investments are suitable for more than one entity, the allocation policy generally provides that, depending on size and subject to current and anticipated cash availability, the absolute size of the investment as well as its relative size compared to the total assets of each entity, current and anticipated weighted average costs of capital, and whether the proposed

34

---

investment is an add-on investment to an existing investment, among other factors, an investment amount will be determined by the adviser to each entity. If the investment opportunity is sufficient for each entity to receive its investment amount, then each entity receives the investment amount; otherwise, the investment amount is reduced pro rata.

On October 13, 2016, we filed an exemptive application with the SEC to permit us to co-invest with funds or entities managed by Oxford Square Management or its affiliates in certain negotiated transactions where co-investing would otherwise be prohibited under the 1940 Act. On June 14, 2017, the

SEC issued an order permitting Oxford Square the Company and certain of its affiliates to complete negotiated co-investment transactions in portfolio companies, subject to certain conditions, or the "Order." Subject to satisfaction of certain conditions to the Order, Oxford Square the Company and certain of its affiliates are now permitted, together with any future BDCs, registered closed-end funds and certain private funds, each of whose investment adviser is Oxford Square's investment adviser or an investment adviser controlling, controlled by, or under common control with Oxford Square's investment adviser, Square Management, to co-invest in negotiated investment opportunities where doing so would otherwise be prohibited under the 1940 Act,

providing Oxford Square's the Company's stockholders with access to a broader array of investment opportunities. Pursuant to the Order, we are permitted to co-invest in such investment opportunities with our affiliates if a "required majority" (as defined in Section 57(o) of the 1940 Act) of our independent directors make certain conclusions in connection with a co-investment transaction, including, but not limited to, that (1) the terms of the potential co-investment transaction, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned, and (2) the potential co-investment transaction is consistent with the interests of our stockholders and is consistent with our then-current investment objective and strategies.

In the ordinary course of business, we may enter into transactions with portfolio companies that may be considered related party transactions. In order to ensure that we do not engage in any prohibited transactions with any persons affiliated with us, we have implemented certain policies and procedures whereby our executive officers screen each of our transactions for any possible affiliations between the proposed portfolio investment, us, companies controlled by us and our employees and directors. We will not enter into any agreements unless and until we are satisfied that doing so will not raise concerns under the 1940 Act or, if such concerns exist, we have taken appropriate actions to seek board review and approval or exemptive relief for such transaction. Our Board of Directors reviews these procedures on an annual basis.

We have also adopted a Code of Business Conduct and Ethics which applies to our senior officers, including our Chief Executive Officer and Chief Financial Officer, as well as all of our officers, directors and employees. Our Code of Business Conduct and Ethics requires that all employees and directors avoid any conflict, or the appearance of a conflict, between an individual's personal interests and our interests. Pursuant to our Code of Business Conduct and Ethics, each employee and director must disclose any conflicts of interest, or actions or relationships that might give rise to a conflict. Our Audit Committee is charged with approving any waivers under our Code of Business Conduct and Ethics. As required by the NASDAQ Global Select Market corporate governance listing standards, the Audit Committee of our Board of Directors is also required to review and approve any transactions with related parties (as such term is defined in Item 404 of Regulation S-K).

**Changes in laws or regulations governing our operations may adversely affect our business.**

Changes in the laws or regulations, or the interpretations of the laws and regulations, which govern BDCs, RICs or non-depository commercial lenders could significantly affect our operations and our cost of doing business. We are subject to federal, state and local laws and regulations and are subject to judicial and administrative decisions that affect our operations, including our loan originations, maximum interest rates, fees and other charges, disclosures to portfolio companies, the terms of secured transactions, collection and foreclosure procedures, and other trade practices. If these laws, regulations or decisions change, or if we expand our business into jurisdictions that have adopted more stringent requirements than those in which we currently conduct business, then we may have to incur significant expenses in order to comply or we may have to restrict our operations. In addition, if we do not comply with applicable laws, regulations and decisions, then we may lose licenses needed for the conduct of our business and be subject to civil fines and criminal penalties, any of which could have a material adverse effect upon our business results of operations or financial condition.

**If we do not invest a sufficient portion of our assets in qualifying assets, we could fail to qualify as a business development company or be precluded from investing according to our current business strategy.**

As a BDC, we may not acquire any assets other than "qualifying assets" unless, at the time of such acquisition, at least 70% of our total assets are qualifying assets.

We believe that most of our portfolio investments will constitute qualifying assets. However, we may be precluded from investing in what we believe are attractive investments if such investments are not qualifying assets for purposes of the 1940 Act. If we do not invest a sufficient portion of our assets in qualifying assets, we could lose our status as a BDC, which would have a material adverse effect on our business, financial condition and results of operations. Similarly, these rules could prevent us from making follow-on investments in existing portfolio companies (which could result in the dilution of our position) or could require us to dispose of investments at inappropriate times in order to comply with the 1940 Act. If we need to dispose of such

investments quickly, it would be difficult to dispose of such investments on favorable terms. For example, we may have difficulty in finding a buyer and, even if we do find a buyer, we may have to sell the investments at a substantial loss.

**Provisions of the Maryland General Corporation Law and of our charter and bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.**

The Maryland General Corporation Law and our charter and bylaws contain provisions that may discourage, delay or make more difficult a change in control of the Company or the removal of our directors. We are subject to the Maryland Business Combination Act, subject to any applicable requirements of the 1940 Act. Our Board of Directors has adopted a resolution exempting from the Business Combination Act any business combination between us and any other person, subject to prior approval of such business combination by our board, including approval by a majority of our disinterested directors. If the resolution exempting business combinations is repealed or our board does not approve a business combination, the Business Combination Act may discourage third parties from trying to acquire control of us and increases the difficulty of consummating such an offer. Our bylaws exempt from the Maryland Control Share Acquisition Act acquisitions of our stock by any person. If we amend our bylaws to repeal the exemption from the Control Share Acquisition Act (**in accordance with any applicable law, rules or regulations**), the Control Share Acquisition Act also may make it more difficult for a third party to obtain control of us and increases the difficulty of consummating such a transaction. **The SEC staff has rescinded its position that, under the 1940 Act, an investment company may not avail itself of the Maryland Control Share Acquisition Act. As a result, we may amend our bylaws to be subject to the Maryland Control Share Act if our Board of Directors determines it would be in our best interest.**

We have also adopted measures that may make it difficult for a third party to obtain control of us, including provisions of our charter classifying our board of directors in three classes serving staggered three-year terms, and authorizing our board of directors to classify or reclassify shares of our stock in one or more classes or series, to cause the issuance of additional shares of our stock and to amend our charter without stockholder approval to increase or decrease the number of shares of stock that we have authority to issue. These provisions, as well as other provisions of our charter and bylaws, may delay, defer or prevent a transaction or a change in control that might otherwise be in the best interests of our stockholders.

The foregoing provisions are expected to discourage certain coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate first with our Board of Directors. However, these provisions may deprive a stockholder of the opportunity to sell such stockholder's shares at a premium to a potential acquirer. We believe that the benefits of these provisions outweigh the potential disadvantages of discouraging any such acquisition proposals because, among other things, the negotiation of such proposals may improve their terms. Our Board of Directors has considered both the positive and negative effects of the foregoing provisions and determined that they are in the best interest of our stockholders.

**Our Board of Directors may change our investment objective, operating policies and strategies without prior notice or stockholder approval.**

Our Board of Directors has the authority to modify or waive certain of our operating policies and strategies without prior notice (except as required by the 1940 Act) and without stockholder approval. However, absent stockholder approval, we may not change the nature of our business so as to cease to be, or withdraw our election as

36

---

a BDC. We cannot predict the effect any changes to our current operating policies and strategies would have on our business, operating results and value of our stock. Nevertheless, the effects may adversely affect our business and impact our ability to make distributions.

**Our business and operation could be negatively affected if we become subject to any securities litigation or **shareholder stockholder** activism, which could cause us to incur significant expense, hinder execution of our investment strategy and impact our stock price.**

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against such company. **Shareholder Stockholder** activism, which could take many forms or arise in a variety of situations, has been increasing in the BDC space. While we are currently not subject to any securities litigation, due to the volatility of our stock price and for a variety of other reasons, we may in the future become the target of additional securities litigation and the subject of additional **shareholder stockholder** activism. If at any time our current Investment Advisory Agreement is terminated we may not be able to find a new investment adviser or hire internal

37

---

management with similar expertise and ability to provide the same or equivalent services on acceptable terms. If we are unable to do so quickly, our operations are likely to experience a disruption, our financial condition, business and results of operations as well as our ability to pay distributions are likely to be adversely affected and the market price of our shares may decline.

Securities litigation and **shareholder stockholder** activism, including potential proxy contests, could result in substantial costs and divert management's and our Board of Directors' attention and resources from our business. Additionally, such securities litigation and **shareholder stockholder** activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation and activist **shareholder stockholder** matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation and **shareholder stockholder** activism.

#### RISKS RELATED TO U.S. FEDERAL INCOME TAX

**We will be subject to U.S. federal income tax at corporate rates, if we are unable to qualify for tax treatment as a RIC for U.S. federal income tax purposes.**

To remain entitled to the tax benefits accorded to RICs under the Code, we must meet certain income source, asset diversification and Annual Distribution Requirements. In order to qualify as a RIC, we must derive each taxable year at least 90% of our gross income from dividends, interest, payments with respect to certain securities loans, gains from the sale of stock or other securities, or other income derived with respect to our business of investing in such stock or securities. The Annual Distribution Requirement for a RIC is satisfied if we distribute at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses, if any, to our stockholders on an annual basis. Because we use debt financing, we are subject to certain asset coverage ratio requirements under the 1940 Act and financial covenants under loan and credit agreements that could, under certain circumstances, restrict us from making distributions necessary to satisfy the Annual Distribution Requirement. If we are unable to obtain cash from other sources, we may fail to qualify for special tax treatment as a RIC and, thus, may be subject to U.S. federal income tax at corporate rates on all of our income.

To qualify as a RIC, we must also meet certain asset diversification requirements at the end of each quarter of our taxable year. Failure to meet these tests may result in our having to dispose of certain investments quickly in order to prevent the loss of RIC treatment. Because most of our investments will be in private companies, any such dispositions could be made at disadvantageous prices and may result in substantial losses. If we fail to qualify for tax treatment as a RIC for any reason and remain or become subject to U.S. federal income tax at corporate rates, the resulting corporate taxes could substantially reduce our net assets, the amount of income available for distribution and the amount of our distributions. Such a failure would have a material adverse effect on us and our stockholders.

37

---

**Our investments in CLOs may be subject to special anti-deferral provisions that could result in us incurring tax or recognizing income prior to receiving cash distributions related to such income.**

We have purchased and may in the future purchase residual or subordinated interests in CLOs that are treated for U.S. federal income tax purposes as shares in a passive foreign investment company or PFIC. If we acquire investments in a PFIC (including equity tranche investments in CLOs that are PFICs), we may be subject to U.S. federal income tax on a portion of any "excess distribution" or gain from the disposition of such shares. Additional charges, in the nature of interest, generally will be imposed on us in respect of deferred taxes arising from any such excess distribution or gain. This additional tax and interest may apply even if we make a distribution in an amount equal to any "excess distribution" or gain from the disposition of such shares as a taxable dividend by us to our **shareholders, stockholders**. Certain elections may be available to mitigate or eliminate such tax on excess distributions, but such elections (if available) will generally require us to recognize our share of the PFICs income for each year regardless of whether we receive any distributions from such PFICs. We must nonetheless distribute such income to maintain our tax treatment as a RIC.

If we hold more than 10% of the shares in a foreign corporation that is treated as a controlled foreign corporation or CFC (including equity tranche investments in a CLO treated as CFC), we may be treated as receiving a deemed distribution (taxable as ordinary income) each year from such foreign corporation in an amount equal to

38

---

our pro rata share of the corporation's income for the tax year (including both ordinary earnings and capital gains). If we are required to include such deemed distributions from a CFC in our income, we will be required to distribute such income to maintain our RIC tax treatment regardless of whether or not the CFC makes an actual distribution during such year.

If we are required to include amounts in income prior to receiving distributions representing such income, we may have to sell some of our investments at times and/or at prices we would not consider advantageous, raise additional debt or equity capital or forgo new investment opportunities for this purpose. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus become subject to U.S. federal income tax at corporate rates.

**If we do not receive timely distributions from our CLO investments, we may fail to qualify as a RIC.**

We are required to include in our taxable income our proportionate share of the income of certain CLO investments to the extent that such CLOs are PFICs for which we have made a qualifying electing fund, or "QEF," election or are CFCs. To the extent that such CLOs do not distribute all of their earnings and profits on a current basis, we may fail to satisfy the 90% Income Test and thus fail to qualify as a RIC. Income inclusions from a QEF or a CFC will be "good income" for purposes of the 90% Income Test provided that they are derived in connection with our business of investing in stocks and securities or the QEF or the CFC distribute such income to us in the same taxable year to which the income is included in our income.

**The CLOs in which we invest may be subject to withholding tax if they fail to comply with certain reporting requirements.**

Legislation commonly referred to as the "Foreign Account Tax Compliance Act," or "FATCA," generally imposes a 30% withholding tax on payments of certain types of income to foreign financial institutions ("FFIs") unless such FFIs either: (i) enter into an agreement with the U.S. Treasury to report certain required information with respect to accounts held by certain specified U.S. persons (or held by foreign entities that have certain specified U.S. persons as substantial owners) or (ii) reside in a jurisdiction that has entered into an intergovernmental agreement ("IGA") with the United States to collect and share such information and are in compliance with the terms of such IGA and any enabling legislation or regulations. The types of income subject to the tax include U.S. source interest and dividends. While the Code would also require withholding on payments of the gross proceeds from the sale of any property that could produce U.S. source interest or dividends, the U.S. Treasury Department has indicated its intent to eliminate this requirement in subsequent proposed regulations, which state that taxpayers may rely on the proposed regulations until final regulations are issued. The information required to be reported includes the identity and taxpayer identification number of each account holder that is a specified U.S. person and transaction activity within the holder's account. In addition, subject to certain exceptions, FATCA also imposes a 30% withholding on certain payments to certain foreign entities that are not FFIs unless such foreign entities certify that they do not have a greater than 10% owner that is a specified U.S. person or provide

38

---

the withholding agent with identifying information on each greater than 10% owner that is a specified U.S. person. Most CLO vehicles in which we invest will be treated as FFIs for this purpose, and therefore will be required to comply with these reporting requirements to avoid the 30% withholding. If a CLO vehicle in which we invest fails to properly comply with these reporting requirements, it could reduce the amounts available to distribute to equity and junior debt holders in such CLO vehicle, which could materially and adversely affect our operating results and cash flows.

**We may have difficulty paying our required distributions if we recognize income before or without receiving cash representing such income.**

For U.S. federal income tax purposes, we will include in income certain amounts that we have not yet received in cash, such as original issue discount ("OID"), which may arise if we receive warrants in connection with the making of a loan or possibly in other circumstances, or contracted PIK interest, which represents contractual interest added to the loan balance and due at the end of the loan term. In addition, we may be required to accrue for U.S. federal income tax purposes amounts attributable to our investment in CLOs that may differ from the distributions received in respect of such investments. We also may be required to include in income certain other amounts that we will not receive in cash.

39

---

Because in certain cases we may recognize income before or without receiving cash representing such income, we may have difficulty satisfying the Annual Distribution Requirement applicable to RICs. Accordingly, we may have to sell some of our investments at times we would not consider advantageous, raise additional debt or equity capital, reduce new investments or make taxable distributions of our stock or debt securities to meet that distribution requirement. If we are not able to obtain cash from other sources, we may fail to qualify for RIC tax treatment and thus be subject to U.S. federal income tax at corporate rates.

In addition, OID income for certain portfolio investments may or may not be included as a factor in the determination of the fair value of such investments.

**Our board of directors may change our investment objective, operating policies and strategies without prior notice or stockholder approval.**

Our Board of Directors has the authority to modify or waive certain of our operating policies and strategies without prior notice (except as required by the 1940 Act) and without stockholder approval. However, absent stockholder approval, we may not change the nature of our business so as to cease to be, or withdraw our election as a BDC. We cannot predict the effect any changes to our current operating policies and strategies would have on our business, operating results and value of our stock. Nevertheless, the effects may adversely affect our business and impact our ability to make distributions.

**RISKS RELATING TO OUR INVESTMENTS**

**Our investment portfolio may be concentrated in a limited number of portfolio companies, which will subject us to a risk of significant loss if any of these companies defaults on its obligations under any of its debt securities that we hold or if the sectors in which we invest experience a market downturn.**

A consequence of our limited number of investments is that the aggregate returns we realize may be significantly adversely affected if a small number of investments perform poorly or if we need to write down the value of any one investment. Beyond the asset diversification requirements applicable to RICs, we do not have fixed guidelines for diversification, and our investments could be concentrated in relatively few issuers. While we have historically focused on the technology sector, we are actively seeking new investment opportunities outside this sector that otherwise meet our investment criteria. As a result, a market downturn, including a downturn in the sectors in which we invest, could materially adversely affect us.

**The lack of liquidity in our investments may adversely affect our business.**

As stated above, our investments are generally not in publicly traded securities. Substantially all of these securities are subject to legal and other restrictions on resale or will otherwise be less liquid than publicly traded securities. For example, there is a limited secondary market for any of our investments in warehouse facilities and our investments in warehouse facilities are less liquid than our investments in CLOs. The illiquidity of our

39

---

investments may make it difficult for us to sell such investments if the need arises. Also, if we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we have previously recorded our investments.

In addition, because we generally invest in debt securities with a term of up to seven years and generally intend to hold such investments until maturity of the debt, we do not expect realization events, if any, to occur in the near-term. We expect that our holdings of equity securities may require several years to appreciate in value, and we can offer no assurance that such appreciation will occur.

**If we cannot obtain additional capital because of either regulatory or market price constraints, we could be forced to curtail or cease our new lending and investment activities, our net asset value could decrease and our level of distributions and liquidity could be affected adversely.**

Our ability to secure additional financing and satisfy our financial obligations under indebtedness outstanding from time to time will depend upon our future operating performance, which is subject to the prevailing general economic and credit market conditions, including interest rate levels and the availability of credit generally, and financial, business and other factors, many of which are beyond our control. The worsening of current economic and capital market conditions could have a material adverse effect on our ability to secure financing on favorable terms, if at all.

If we are unable to obtain debt capital, then our equity investors will not benefit from the potential for increased returns on equity resulting from leverage to the extent that our investment strategy is successful and we may be limited in our ability to make new commitments or fundings to our portfolio companies.

**We are subject 40**

---

**Risks related to risks associated with the discontinuation transition away from LIBOR.**

Following their publication on June 30, 2023, no settings of LIBOR, which will affect our cost of capital and net investment income.

In July 2017, the Financial Conduct Authority ("FCA") announced its intention to cease sustaining the London Inter-Bank Offered Rate ("LIBOR") by the end continue to be published on a representative basis and publication of 2021.

As of January 1, 2022, USD LIBOR is available in five settings (overnight, one month, three-month, six-month and 12-month). The ICE Benchmark Administration ("IBA") has stated that it will cease to publish all remaining USD U.S. dollar LIBOR settings immediately following their publication on June 30, 2023. As have been entirely discontinued. On July 29, 2021, the U.S. Federal Reserve System, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of January 1, 2022, all non large U.S. financial institutions, formally recommended replacing U.S.-USD-dollar LIBOR reference rates in all settings ceased to be published.

In April 2018, the New York Federal Reserve Bank began publishing its alternative rate, with the Secured Overnight Financing Rate ("SOFR"). The, a new index calculated by short-term repurchase agreements, backed by Treasury securities. In April 2018, the Bank of England followed suit in April 2018 by began publishing its proposed alternative rate, the Sterling Overnight Index Average ("SONIA"). Each of SOFR and SONIA significantly differ from LIBOR, both in the actual rate and how it is calculated, and therefore it is unclear whether and when markets will adopt either of these rates as a widely accepted replacement for LIBOR.

Since calculated. Further, on March 15, 2022, the first quarter Consolidation Appropriations Act of 2022, which includes the Adjustable Interest Rate (LIBOR) Act ("LIBOR Act"), was signed into law in the United States. This legislation establishes a majority of our new investments are indexed to SOFR; however we have material uniform benchmark replacement process for certain financial contracts that are indexed mature after June 30, 2023 that do not contain clearly defined or practicable LIBOR fallback provisions. The legislation also creates a safe harbor that shields lenders from litigation if they choose to LIBOR. Certain contracts have an orderly market transition already in process; however, other contracts, will need to be renegotiated to replace LIBOR with an alternative reference rate. utilize a replacement rate recommended by the Board of Governors of the Federal Reserve. In addition, the U.K. Financial Conduct Authority ("FCA"), which regulates the publisher of LIBOR (ICE Benchmark Administration) has announced that it will require the continued publication of the one-, three- and six-month tenors of U.S.-dollar LIBOR on a non-representative synthetic basis until the end of September 2024, which may result in certain non-U.S. law-governed contracts and U.S. law-governed contracts not covered by the federal legislation remaining on synthetic U.S.-dollar LIBOR until the end of this period. Although the transition process away from LIBOR has become increasingly well-defined (e.g. the LIBOR Act now provides a uniform benchmark replacement for certain LIBOR-based instruments in the United States), the transition process is complex and it could cause a disruption in the credit markets generally and could have adverse impacts on our business financial condition and results of operations, including, among other things, increased volatility or illiquidity in markets for instruments that continue to rely on LIBOR or which have been transitioned away from LIBOR to a different rate like SOFR SONIA or another alternative reference rate may also introduce operational risks and, in any case, could result in a reduction in the value of certain investments held by the Company. As of December 31, 2023, we did not hold any investments in our accounting, financial reporting, loan servicing, liability management and other aspects debt portfolio that bore interest at a floating rate determined on the basis of our business. LIBOR.

**We are exposed to risks associated with changes in interest rates, including the current rising interest rate environment. rates.**

General interest rate fluctuations may have a substantial negative impact on our investments and our investment returns and, accordingly, may have a material adverse effect on our investment objective and our net investment income.

In an effort to combat inflation, the U.S. Federal Reserve has increased the federal funds rate embarked on a campaign of raising interest rates during 2022 and is widely expected to further increase the federal funds rate in 2023. Because we will borrow money and may issue debt securities or preferred stock to make investments, our net investment income is dependent upon the difference

40

between the rate at which we borrow funds or pay interest or dividends on such debt securities or preferred stock and the rate at which we invest these funds. In this period of rising interest rates, our interest income will increase as the majority of our portfolio bears interest at variable rates while our cost of funds will also increase, which could result in an increase to our net investment income. Conversely, if interest rates decrease, we may earn less interest income from investments and our cost of funds will also decrease, which could result in lower net investment income. From time to time, we may also enter into certain hedging transactions to mitigate our exposure to changes in interest rates. However, we cannot assure you that such transactions will be successful in mitigating our exposure to interest rate risk. There can be no assurance that a significant change in market interest rates will not have a material adverse effect on our net investment income.

Rising interest rates may also increase the cost of debt for our underlying portfolio companies, which could adversely impact their financial performance and ability to meet ongoing obligations to us. Also, an increase in interest rates available to investors could make an investment in our shares less attractive if we are not able to pay dividends at a level that provides a similar return, which could reduce the value of our shares.

41

**Most of our debt investments will not fully amortize during their lifetime, which may subject us to the risk of loss of our principal in the event a portfolio company is unable to repay us prior to maturity.**

Most of our debt investments are not structured to fully amortize during their lifetime. Accordingly, if a portfolio company has not previously pre-paid its debt investment to us, a significant portion of the principal amount due on such a debt investment may be due at maturity. In order to create liquidity to pay the final principal payment, a portfolio company typically must raise additional capital. If it is unable to raise sufficient funds to repay us, the debt investment may go into default, which may compel us to foreclose on the borrower's assets, even if the debt investment was otherwise performing prior to maturity. This may prevent us from immediately obtaining full recovery on the debt investment and may prevent or delay the reinvestment of the investment proceeds in other, possibly more profitable investments.

**Our portfolio companies may prepay loans, which may reduce our yields if capital returned cannot be invested in transactions with equal or greater expected yields.**

The loans in our investment portfolio may be prepaid at any time, generally with little advance notice. Whether a loan is prepaid will depend both on the continued positive performance of the portfolio company and the existence of favorable financing market conditions that allow such company the ability to replace existing financing with less expensive capital. As market conditions change, we do not know when, and if, prepayment may be possible for each portfolio company. In some cases, the prepayment of a loan may reduce our achievable yield if the capital returned cannot be invested in transactions with equal or greater expected yields, which could have a material adverse effect on our business, financial condition and results of operations.

**The SEC has raised questions regarding certain non-traditional investments, including investments in CLOs.**

The staff of the Division of Investment Management has, in correspondence with certain BDCs, raised questions about the level and special risks of investments in CLOs. While it is not possible to predict what conclusions the staff will reach in these areas, or what recommendations the staff might make to the SEC, the imposition of limitations on investments by BDCs in CLOs could adversely impact our ability to implement our investment strategy and/or our ability to raise capital through public offerings, or cause us to take certain actions with potential negative impacts on our financial condition and results of operations. We are unable at this time to assess the likelihood or timing of any such regulatory development.

**The application of the risk retention rules to CLOs may have broader effects on the CLO and loan markets in general, potentially resulting in fewer or less desirable investment opportunities for the Company.**

In October 2014, six federal agencies (the Federal Deposit Insurance Corporation, or the "FDIC," the Comptroller of the Currency, the Federal Reserve Board, the SEC, the Department of Housing and Urban Development and the Federal Housing Finance Agency) adopted joint final rules implementing certain credit risk retention requirements contemplated in Section 941 of the Dodd-Frank Act ("Final U.S. Risk Retention Rules"). These rules were published in the Federal Register on December 24, 2014. With respect to the regulation of CLOs, the Final U.S. Risk Retention Rules require that the "sponsor" or a "majority owned affiliate" thereof (in each case

41

---

as defined in the rules), will retain an "eligible vertical interest" or an "eligible horizontal interest" (in each case as defined therein) or any combination thereof in the CLO in the manner required by the Final U.S. Risk Retention Rules.

The Final U.S. Risk Retention Rules became fully effective on December 24, 2016, and to the extent applicable to CLOs in which the Company invests, the Final U.S. Risk Retention Rules contain provisions that may adversely affect the return of the Company's investments. On February 9, 2018, a three-judge panel of the United States Court of Appeals for the District of Columbia Circuit (the "DC Circuit Court") rendered a decision in *The Loan Syndications and Trading Association v. Securities and Exchange Commission and Board of Governors of the Federal Reserve System*, No. 1:16-cv-0065, in which the DC Circuit Court held that open market CLO collateral managers are not "securitizers" subject to the requirements of the Final U.S. Risk Retention Rules (the "DC Circuit Ruling"). Thus, collateral managers of open market CLOs are no longer required to comply with the Final U.S. Risk Retention Rules at this time. As such, it is possible that some collateral managers of open market CLOs will decide to dispose of the securities (or cause their majority owned affiliates to dispose of the securities) constituting the "eligible vertical interest" or "eligible horizontal interest" they were previously required to retain or take other actions with respect to such securities that is not otherwise prohibited by the Final U.S. Risk Retention Rules. To the extent either the underlying collateral manager or its majority-owned affiliate divests itself of such securities, or to the extent none of the underlying collateral manager or its affiliates holds any CLO securities in any event, this will reduce the degree to which the relevant collateral manager's incentives are aligned with those of the holders of the CLO debt or equity (which may include the Company as a CLO investor). This could influence the way in which the relevant collateral manager manages the CLO assets and/or makes other decisions under the transaction documents related to the CLO in a manner that is adverse to the Company.

There can be no assurance or representation that any of the transactions, structures or arrangements currently under consideration by or currently used by CLO market participants will comply with the Final U.S. Risk Retention Rules to the extent such rules are reinstated or otherwise become applicable to open market CLOs. The ultimate impact of the Final U.S. Risk Retention Rules on the loan securitization market and the leveraged loan market generally remains uncertain, and any negative impact on secondary market liquidity for securities comprising a CLO may be experienced due to the effects of the Final U.S. Risk Retention Rules on market expectations or uncertainty, the relative appeal of other investments not impacted by the Final U.S. Risk Retention Rules and other factors.

The securitization industry in both EU European Union ("EU") and the United Kingdom ("UK") has also undergone a number of significant changes in the past few years. Regulation (EU) 2017/2402 relating to a European framework for simple, transparent and standardized securitization (as amended by Regulation (EU) 2021/557 and as further amended from time to time, the "EU Securitization Regulation") applies to certain specified EU investors, and Regulation (EU) 2017/2402 relating to a European framework for simple, transparent and standardized securitization in the form in effect on 31 December 2020 (which forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "EUWA")) (as amended by the

Securitization (Amendment) (EU Exit) Regulations 2019 and as further amended from time to time, the "UK Securitization Regulation" and, together with the EU Securitization Regulation, the "Securitization Regulations" applies to certain specified UK investors, in each case, who are investing in a "securitization" (as such term is defined under each Securitization Regulation).

The due diligence requirements of Article 5 of the EU Securitization Regulation (the "EU Due Diligence Requirements") apply to each investor that is an "institutional investor" (as such term is defined in the EU Securitization Regulation), being an investor which is one of the following: (a) an insurance undertaking as defined in Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (recast) ("Solvency II"); (b) a reinsurance undertaking as defined in Solvency II; (c) subject to certain conditions and exceptions, an institution for occupational retirement provision falling within the scope of Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) (the "IORP Directive"), or an investment manager or an authorized entity appointed by an institution for occupational retirement provision pursuant to the IORP Directive; (d) an alternative investment fund manager ("AIFM") as defined in Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers that manages and/or markets alternative investment funds in the EU; (e) an undertaking for the collective investment in transferable securities ("UCITS") management company, as defined in Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in

42

---

transferable securities (UCITS) (the "UCITS Directive"); (f) an internally managed UCITS, which is an investment company authorized in accordance with the UCITS Directive and which has not designated a management company authorized under the UCITS Directive for its management; or (g) a credit institution as defined in Regulation (EU)

42

---

No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "CRR") for the purposes of the CRR, or an investment firm as defined in the CRR, in each case, such investor an "EU Institutional Investor".

The due diligence requirements of Article 5 of the UK Securitization Regulation (the "UK Due Diligence Requirements" and, together with the EU Due Diligence Requirements, the "Due Diligence Requirements") apply to each investor that is an "institutional investor" (as such term is defined in the UK Securitization Regulation), being an investor which is one of the following: (a) an insurance undertaking as defined in the Financial Services and Markets Act 2000 (as amended, the "FSMA"); (b) a reinsurance undertaking as defined in the FSMA; (c) an occupational pension scheme as defined in the Pension Schemes Act 1993 that has its main administration in the UK, or a fund manager of such a scheme appointed under the Pensions Act 1995 that, in respect of activity undertaken pursuant to that appointment, is authorized under the FSMA; (d) an AIFM (as defined in the Alternative Investment Fund Managers Regulations 2013 (the "AIFM Regulations")) which markets or manages AIFs (as defined in the AIFM Regulations) in the UK; (e) a management company as defined in the FSMA; (f) a UCITS as defined by the FSMA, which is an authorized open ended investment company as defined in the FSMA; (g) a FCA investment firm as defined by the CRR as it forms part of UK domestic law by virtue of EUWA (the "UK CRR"); or (h) a CRR investment firm as defined in the UK CRR, in each case, such investor a "UK Institutional Investor" and, such investors together with EU Institutional Investors, "Institutional Investors".

Among other things, the applicable Due Diligence Requirements require that prior to holding a "securitization position" (as defined in each Securitization Regulation) an Institutional Investor (other than the originator, sponsor or original lender) has verified that:

- (1) the originator, sponsor or original lender will retain on an ongoing basis a material net economic interest which, in any event, shall be not less than five per cent. in the securitization, determined in accordance with Article 6 of the applicable Securitization Regulation, and has disclosed the risk retention to such Institutional Investor;
- (2) (in the case of each EU Institutional Investor only) the originator, sponsor or securitization special purpose entity ("SSPE") has, where applicable, made available the information required by Article 7 of the EU Securitization Regulation in accordance with the frequency and modalities provided for thereunder;
- (3) (in the case of each UK Institutional Investor only) the originator, sponsor or SSPE:
  - (i) if established in the UK has, where applicable, made available the information required by Article 7 of the UK Securitization Regulation (the "UK Transparency Requirements") in accordance with the frequency and modalities provided for thereunder; or
  - (ii) if established in a country other than the UK, where applicable, made available information which is substantially the same as that which it would have made available under the UK Transparency Requirements if it had been established in the UK, and has done so with such

frequency and modalities as are substantially the same as those with which it would have made information available under the UK Transparency Requirements if it had been established in the UK; and

(4) in the case of each Institutional Investor, where the originator or original lender either (i) is not a credit institution or an investment firm (each as defined in the applicable Securitization Regulation) or (ii) is established in a third country (being (x) in respect of the EU Securitization Regulation, a country other than an EU member state, or (y) in respect of the UK Securitization Regulation, a country other than the UK), the originator or original lender grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes in order to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness.

43

---

The Due Diligence Requirements further require that prior to holding a securitization position, an Institutional Investor, other than the originator, sponsor or original lender, carry out a due diligence assessment which enables it to assess the risks involved, including but not limited to (a) the risk characteristics of the individual securitization position and the underlying exposures; and (b) all the structural features of the securitization that can materially

43

---

impact the performance of the securitization position, including the contractual priorities of payment and priority of payment-related triggers, credit enhancements, liquidity enhancements, market value triggers, and transaction-specific definitions of default.

Any Institutional Investor that fails to comply with the applicable Due Diligence Requirements in respect of a securitization position which it holds may become subject to a range of regulatory sanctions including, in the case of a credit institution, investment firm, insurer or reinsurer, a punitive regulatory capital charge with respect to such securitization position, or, in certain other cases, a requirement to take corrective action.

To the extent a CLO is structured in compliance with the Securitization Regulations, ~~our~~ the Company's ability to invest in the CLO equity of such CLOs could be limited, or ~~we~~ the Company could be required to hold ~~our~~ its investment for the life of the CLO. If a CLO has not been structured to comply with the Securitization Regulations, it will limit the ability of Institutional Investors to purchase CLO securities, which may adversely affect the price and liquidity of the securities (including the CLO equity) in the secondary market. Additionally, the Securitization Regulations and any regulatory uncertainty in relation thereto may reduce the issuance of new CLOs and reduce the liquidity provided by CLOs to the leveraged loan market generally. Reduced liquidity in the loan market could reduce investment opportunities for collateral managers, which could negatively affect the return of the Company's investments. Any reduction in the volume and liquidity provided by CLOs to the leveraged loan market could also reduce opportunities to redeem or refinance the securities comprising a CLO in an optional redemption or refinancing and could negatively affect the ability of obligors to refinance their collateral obligations, either of which developments could increase defaulted obligations above historic levels.

The Japanese Financial Services Agency (the "JFSA") published a risk retention rule as part of the regulatory capital regulation of certain categories of Japanese investors seeking to invest in securitization transactions (the "JRR Rule"). The JRR Rule mandates an "indirect" compliance requirement, meaning that certain categories of Japanese investors will be required to apply higher risk weighting to securitization exposures they hold unless the relevant originator commits to hold a retention interest equal to at least 5% of the exposure of the total underlying assets in the transaction (the "Japanese Retention Requirement") or such investors determine that the underlying assets were not "inappropriately originated." The Japanese investors to which the JRR Rule applies include banks, bank holding companies, credit unions (shinyo kinko), credit cooperatives (shinyo kumiai), labor credit unions (rodo kinko), agricultural credit cooperatives (nogyo kyodo kumiai), ultimate parent companies of large securities companies and certain other financial institutions regulated in Japan (such investors, "Japanese Affected Investors"). Such Japanese Affected Investors may be subject to punitive capital requirements and/or other regulatory penalties with respect to investments in securitizations that fail to comply with the Japanese Retention Requirement.

The JRR Rule became effective on March 31, 2019. At this time, there are a number of unresolved questions and no established line of authority, precedent or market practice that provides definitive guidance with respect to the JRR Rule, and no assurances can be made as to the content, impact or interpretation of the JRR Rule. In particular, the basis for the determination of whether an asset is "inappropriately originated" remains unclear and, therefore, unless the JFSA provides further specific clarification, it is possible that CLO securities the Company purchases may contain assets deemed to be "inappropriately originated" and, as a result, may not be exempt from the Japanese Retention Requirement. The JRR Rule or other similar requirements may deter Japanese Affected Investors from purchasing CLO securities, which may limit the liquidity of CLO securities and, in turn, adversely affect the price of such CLO securities in the secondary market. Whether and to what extent the JFSA may provide further clarification or interpretation as to the JRR Rule is unknown.

**New regulations related to private fund advisers may impact our CLO investments.**

On February 9, 2022, the SEC proposed certain rules and amendments under the Advisers Act to enhance the regulations applicable to private fund advisers (the "Proposed Private Fund Rules") that, if adopted in their current form, would affect investment advisers such as the CLO collateral managers, by, among other things, (i) requiring such managers to comply with additional reporting and compliance obligations, (ii) prohibiting certain types of preferential treatment, including, among other things, the provision of information regarding portfolio holdings of

the private fund, and (iii) prohibiting or imposing requirements on certain business practices, including prohibiting certain types of indemnification (which could include indemnification provided for in the CLO's management agreement) and requiring fairness opinions for adviser-led secondary transactions. Because most CLOs in which we invest rely on Section 3(c)(7) of the 1940 Act, each such CLO will be considered a "private fund" within the meaning of the Proposed Private Fund Rules. The costs of complying with certain of the reporting and compliance obligations under the Proposed Private Fund Rules could be substantial, and it is unclear if the costs of preparing such reports would be borne by the CLO or the CLO's collateral manager. If the CLOs in which we invest is responsible for such expenses, it could affect the return on our investments in CLO securities. In addition, if any CLO collateral manager were prohibited from discussing the underlying portfolio of CLO assets with investors, entirely or absent highly specific disclosure, it could result in a reduction or elimination of any CLO collateral manager's ability to provide information to us relating to such CLO's assets other than the reporting required by the CLO's transaction documents. In addition, the Proposed Private Fund Rules could adversely affect a CLO's ability to consummate a refinancing or other optional redemption. As a result, adoption of the Proposed Private Fund Rules could have a material and adverse effect on the market value and/or liquidity of the CLO securities in which we invest. The Proposed Private Fund Rules could also discourage managers from undertaking new CLO transactions, thus reducing the opportunities for the Company to invest in CLO securities and achieve its investment goals.

#### **We may be subject to risks associated with our investments in covenant-lite loans**

We have made and may in the future make or obtain significant exposure to covenant-lite loans, which generally are loans that do not require a borrower to comply with financial maintenance covenants, and may not include terms that allow the lender to monitor the financial performance of the borrower, including financial ratios, and declare a default if certain financial criteria are breached. While these loans may still contain other collateral protections, a covenant-lite loan may carry more risk than a covenant-heavy loan made by the same borrower as it does not require the borrower to provide affirmation that certain specific financial tests have been satisfied on a routine basis as is generally required under a covenant-heavy loan agreement. Generally, covenant-lite loans permit borrowers more opportunity to negatively impact lenders because their covenants, if any, tend to be incurrence-based, which means they are only tested and can only be breached following certain actions of the borrower, rather than

by a deterioration in the borrower's financial condition. Our investment in or exposure to a covenant-lite loan may potentially hinder our ability to reprice credit risk associated with the issuer and reduce our ability to restructure a problematic loan and mitigate potential loss. As a result, our exposure to losses may be increased, which could result in an adverse impact on our revenues, net income and net asset value.

#### **Our investments in the companies that we target may be extremely risky and we could lose all or part of our investments.**

Although a prospective portfolio company's assets are one component of our analysis when determining whether to provide debt capital, we generally do not base investment decisions primarily on the liquidation value of a company's balance sheet assets. Instead, given the nature of the companies that we invest in, we also review the company's historical and projected cash flows, equity capital and "soft" assets, including intellectual property (patented and non-patented), databases, business relationships (both contractual and non-contractual) and the like. Accordingly, considerably higher levels of overall risk will likely be associated with our portfolio compared with that of a traditional asset-based lender whose security consists primarily of receivables, inventories, equipment and other tangible assets. Interest rates payable by our portfolio companies may not compensate for these additional risks, any of which could cause us to lose part or all of our investment.

Specifically, investment in certain of the companies that we are invested in involves a number of significant risks, including:

- these companies may have limited financial resources and may be unable to meet their obligations under their debt securities that we hold, which may be accompanied by a deterioration in the value of any collateral and a reduction in the likelihood of us realizing any value from the liquidation of such collateral;
- they may have limited operating histories, narrower product lines and smaller market shares than larger businesses, which may tend to render them more vulnerable to competitors' actions and market conditions, as well as general economic downturns;

- because many of them tend to be privately owned, there is generally little publicly available information about these businesses; therefore, although Oxford Square Management's agents will perform "due diligence" investigations on these portfolio companies, their operations and their prospects, we may not learn all of the material information we need to know regarding these businesses;
- some of these companies are more likely to depend on the management talents and efforts of a small group of persons; therefore, the death, disability, resignation or termination of one or more of these persons could have a material adverse impact on our portfolio company and, in turn, on us;
- some of these companies may have less predictable operating results, may from time to time be parties to litigation, may be engaged in rapidly changing businesses with products subject to a substantial risk of obsolescence, and may require substantial additional capital to support their operations, finance expansion or maintain their competitive position; and
- many of these companies may be more susceptible to economic recessions or downturns than other better capitalized companies that operate in less capital-intensive industries.

A portfolio company's failure to satisfy financial or operating covenants imposed by us or other lenders could lead to defaults and, potentially, termination of its loans and foreclosure on its assets, which could trigger cross-defaults under other agreements and jeopardize our portfolio company's ability to meet its obligations under the debt securities that we hold. We may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company. In addition, if a portfolio company goes bankrupt, even though we may have structured our interest as senior debt, depending on the facts and circumstances, including the extent to which we actually provided significant "managerial assistance" to that portfolio company, a bankruptcy court might recharacterize our debt holding and subordinate all or a portion of our claim to that of other creditors.

45

---

**Inflation may adversely affect our and our portfolio companies' business, results of operations and financial condition.**

Inflation could negatively impact our business, including our ability to access the debt markets on favorable terms, or could negatively impact our portfolio companies. Sustained inflation could increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. These events could limit our investment originations, limit our ability to grow and negatively impact our operating results. Further, inflation could make it difficult to extend the maturity of, or refinance existing indebtedness or obtain new indebtedness on favorable terms.

Certain of our portfolio companies may be impacted by inflation. If such portfolio companies are unable to pass any increases in their costs along to their customers, it could adversely affect their results and impact their ability to pay interest and principal on our loans. In addition, any projected future decreases in our portfolio companies' operating results due to inflation could adversely impact the fair value of those investments. Any decreases in the fair value of our investments could result in future unrealized losses and therefore reduce our net assets resulting from operations.

**Our failure to make follow-on investments in our portfolio companies could impair the value of our investment portfolio.**

Following an initial investment in a portfolio company, we may make additional investments in that portfolio company as "follow-on" investments, in order to: (i) increase or maintain in whole or in part our equity ownership percentage; (ii) exercise warrants, options or convertible securities that were acquired in the original or subsequent financing; or (iii) attempt to preserve or enhance the value of our investment.

We may elect not to make follow-on investments or otherwise lack sufficient funds to make those investments. We have the discretion to make any follow-on investments, subject to the availability of capital resources. The failure to make follow-on investments may, in some circumstances, jeopardize the continued viability of a portfolio company and our initial investment, or may result in a missed opportunity for us to increase our participation in a successful operation. Even if we have sufficient capital to make a desired follow-on investment, we may elect not to make a follow-on investment because we may not want to increase our concentration of risk, because we prefer other opportunities, or because we are inhibited by compliance with BDC requirements or the desire to maintain our tax status.

46

---

**Our incentive fee may induce Oxford Square Management to use leverage and to make speculative investments.**

The incentive fee payable by us to Oxford Square Management may create an incentive for Oxford Square Management to use leverage and to make investments on our behalf that are risky or more speculative than would be the case in the absence of such compensation arrangement. The way in which the incentive fee on "Pre-Incentive Fee Net Investment Income" is determined, which is calculated as a percentage of the return on invested capital, may encourage Oxford Square Management to use leverage to increase the return on our equity capital. Under certain circumstances, the use of leverage may

increase the likelihood of default, which would disfavor holders of our common stock. Similarly, because Oxford Square Management may also receive an incentive fee based, in part, upon the capital gains realized on our investments, the investment adviser may invest more than would otherwise be appropriate in companies whose securities are likely to yield capital gains, compared to income producing securities. Such a practice could result in our investing in more speculative securities than would otherwise be the case, which could result in higher investment losses, particularly during an economic downturn.

**Our portfolio companies may incur debt that ranks equally with, or senior to, our investments in such companies.**

We intend to invest primarily in senior debt securities, but may also invest in subordinated debt securities, issued by our portfolio companies. In some cases, portfolio companies will be permitted to have other debt that ranks equally with, or senior to, the debt securities in which we invest. By their terms, such debt instruments may provide that the holders thereof are entitled to receive payment of interest or principal on or before the dates on which we are entitled to receive payments in respect of the debt securities in which we invest. Also, in the event of

---

46

insolvency, liquidation, dissolution, reorganization or bankruptcy of a portfolio company, holders of debt instruments ranking senior to our investment in that portfolio company would typically be entitled to receive payment in full before we receive any distribution in respect of our investment. After repaying such senior creditors, such portfolio company may not have any remaining assets to use for repaying its obligations to us. In the case of debt ranking equally with debt securities in which we invest, we would have to share on an equal basis any distributions with other creditors holding such debt in the event of an insolvency, liquidation, dissolution, reorganization or bankruptcy of the relevant portfolio company. In addition, we will not be in a position to control any portfolio company by investing in its debt securities. As a result, we are subject to the risk that a portfolio company in which we invest may make business decisions with which we disagree and the management of such companies, as representatives of the holders of their common equity, may take risks or otherwise act in ways that do not best serve our interests as debt investors.

**We may not realize gains from our equity investments.**

When we invest in debt securities, we may acquire warrants or other equity securities as well. However, the equity interests we receive may not appreciate in value and, in fact, may decline in value. Accordingly, we may not be able to realize gains from our equity interests, and any gains that we do realize on the disposition of any equity interests may not be sufficient to offset any other losses we experience.

**Because we generally do not hold controlling equity interests in our portfolio companies, we may not be in a position to exercise control over our portfolio companies or to prevent decisions by the managements of our portfolio companies that could decrease the value of our investments.**

Although we have taken and may in the future take controlling equity positions in our portfolio companies from time to time, we generally do not do so. As a result, we are subject to the risk that a portfolio company may make business decisions with which we disagree, and the stockholders and management of a portfolio company may take risks or otherwise act in ways that are adverse to our interests. Due to the lack of liquidity for the debt and equity investments that we typically hold in our portfolio companies, we may not be able to dispose of our investments in the event we disagree with the actions of a portfolio company, and may therefore suffer a decrease in the value of our investments.

---

47

**Our investments in CLO vehicles are riskier and less transparent to us and our stockholders than direct investments in the underlying senior loans.**

We have invested ~~principally~~ in equity and junior debt tranches issued by CLO vehicles. Generally, there may be less information available to us regarding the underlying debt investments held by such CLO vehicles than if we had invested directly in the debt of the underlying companies. As a result, our stockholders may not know the details of the underlying securities of the CLO vehicles in which we will invest. Our CLO investments will also be subject to the risk of leverage associated with the debt issued by such CLOs and the repayment priority of senior debt holders in such CLO vehicles. Additionally, CLOs in which we invest are often governed by a complex series of legal documents and contracts. As a result, the risk of dispute over interpretation or enforceability of the documentation may be higher relative to other types of investments. For example, some documents governing the loans underlying our CLO investments may allow for "priming transactions," in connection with which majority lenders or debtors can amend loan documents to the detriment of other lenders, amend loan documents in order to move collateral, or amend documents in order to facilitate capital outflow to other parties/subsidiaries in a capital structure, any of which may adversely affect the rights and security priority of the CLOs in which we are invested.

The accounting and tax implications of such investments are complicated. In particular, reported earnings from the equity tranche investments of these CLO vehicles are recorded under GAAP based upon an effective yield calculation. Current taxable earnings on these investments, however, will generally not

be determinable until after the end of the fiscal year of each individual CLO vehicle that ends within the Company's fiscal year, even though the investments are generating cash flow. In general, the tax treatment of these investments may result in higher distributable earnings in the early years and a capital loss at maturity, while for reporting purposes the totality of cash flows are reflected in a constant yield to maturity.

Some instruments issued by CLO vehicles may not be readily marketable and may be subject to restrictions on resale. Securities issued by CLO vehicles are generally not listed on any U.S. national securities exchange and no active trading market may exist for the securities of CLO vehicles in which we may invest. Although a secondary market may exist for our investments in CLO vehicles, the market for our investments in CLO vehicles may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. As a result, these types of investments may be more difficult to value.

**Failure by a CLO vehicle in which we are invested to satisfy certain tests will harm our operating results.**

The failure by a CLO vehicle in which we invest to satisfy certain financial covenants, specifically those with respect to adequate collateralization and/or interest coverage tests, could lead to a reduction in its payments to us. In the event that a CLO vehicle failed these certain tests, holders of debt senior to us may be entitled to additional payments that would, in turn, reduce the payments we would otherwise be entitled to receive. Separately, we may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms, which may include the waiver of certain financial covenants, with a defaulting CLO vehicle or any other investment we may make. If any of these occur, it could materially and adversely affect our operating results and cash flows.

**Our financial results may be affected adversely if one or more of our significant equity or junior debt investments in a CLO vehicle defaults on its payment obligations or fails to perform as we expect or if the market price fluctuates significantly in such illiquid investments.**

As a BDC, we may not acquire equity and junior debt investments in CLO vehicles unless, at the time of such acquisition, at least 70% of our total assets are "qualifying assets." CLO vehicles that we invest in are typically very highly levered, and therefore, the junior debt and equity tranches that we invest in are subject to a higher degree of risk of total loss. As of December 31, 2022 December 31, 2023, the CLO vehicles in which we were invested had average leverage of 9.1 8.3 times and ranged from approximately 2.8 2.3 times to 12.6 11.7 times levered. In particular, investors in CLO vehicles indirectly bear risks of the underlying debt investments held by such CLO vehicles. We will generally have the right to receive payments only from the CLO vehicles, and will generally not have direct rights against the underlying borrowers or the entity that sponsored the CLO vehicle. While the CLO vehicles we have and continue to target generally enable the investor to acquire interests in a pool of leveraged corporate loans without the expenses associated with directly holding the same investments, we will generally indirectly pay

a proportionate share of the CLO vehicles' administrative and other expenses. Although it is difficult to predict whether the prices of indices and securities underlying CLO vehicles will rise or fall, these prices (and, therefore, the prices of the CLO vehicles) will be influenced by the same types of political and economic events that affect issuers of securities and capital markets generally. The failure by a CLO vehicle in which we invest to satisfy certain financial covenants, including as a result of political and economic events not directly associated with the leveraged corporate loans held by the CLO, such as the COVID-19 pandemic, and specifically those with respect to adequate collateralization and/or interest coverage tests, could lead to a reduction in its payments to us. In the event that a CLO vehicle failed those tests, holders of debt senior to us may be entitled to additional payments that would, in turn, reduce the payments we would otherwise be entitled to receive. Separately, we may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting CLO vehicle or any other investment we may make. If any of these occur, it could materially and adversely affect our operating results and cash flows.

The interests we intend to acquire in CLO vehicles will likely be thinly traded or have only a limited trading market. CLO vehicles are typically privately offered and sold, even in the secondary market. As a result, investments in CLO vehicles may be characterized as illiquid securities. In addition to the general risks associated with investing in debt securities, CLO vehicles carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the fact that our investments in CLO tranches will likely be subordinate to other senior classes of note tranches thereof; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the CLO vehicle or unexpected investment results. Our net asset value may also decline over time if our principal recovery with respect to CLO equity investments is less than the price we paid for those investments investments.

Investments in structured vehicles, including equity and junior debt instruments issued by CLO vehicles, involve risks, including credit risk and market risk. Changes in interest rates and credit quality may cause significant price fluctuations. Additionally, changes in the underlying leveraged corporate loans held by a

CLO vehicle may cause payments on the instruments we hold to be reduced, either temporarily or permanently.

Structured investments, particularly the subordinated interests in which we intend to invest, are less liquid than many other types of securities and may be more volatile than the leveraged corporate loans underlying the CLO vehicles we intend to target. Fluctuations in interest rates may also cause payments on the tranches of CLO vehicles that we hold to be reduced, either temporarily or permanently.

**Investments in foreign securities formed under the laws of the Cayman Islands may involve significant risks in addition to the risks inherent in U.S. investments.**

Our investment strategy involves investments in securities issued by foreign entities, including foreign CLO vehicles that are formed under the laws of the Cayman Islands. Investing in foreign entities formed under the laws of the Cayman Islands may expose us to additional risks not typically associated with investing in U.S. issues. These risks include changes in exchange control regulations, political and social instability, expropriation, imposition of foreign taxes, less liquid markets and less available information than is generally the case in the U.S., higher transaction costs, less government supervision of exchanges, brokers and issuers, less developed bankruptcy laws, difficulty in enforcing contractual obligations, lack of uniform accounting and auditing standards and greater price volatility. Further, we, and the CLO vehicles in which we invest, may have difficulty enforcing creditor's rights in foreign jurisdictions, such as the Cayman Islands. In addition, the underlying companies of the CLO vehicles in which we invest may be foreign, which may create greater exposure for us to foreign economic developments.

Although we expect that most of our investments will be U.S. dollar-denominated, any investments denominated in a foreign currency will be subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Among the factors that may affect currency values are trade balances, the level of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and capital appreciation, and political developments. We may employ hedging techniques to minimize these risks, but we can offer no assurance that we will, in fact, hedge currency risk, or that if we do, such strategies will be effective.

49

---

**We will have no influence on management of underlying investments managed by non-affiliated third party CLO collateral managers.**

We are not responsible for and have no influence over the asset management of the portfolios underlying the CLO investments we hold as those portfolios are managed by non-affiliated third party CLO collateral managers. Similarly, we are not responsible for and have no influence over the day-to-day management, administration or any other aspect of the issuers of the individual securities. As a result, the values of the portfolios underlying our CLO investments could decrease as a result of decisions made by third party CLO collateral managers.

**RISKS RELATING TO AN INVESTMENT IN OUR SECURITIES**

**Our common stock price may be volatile.**

The trading price of our common stock may fluctuate substantially depending on many factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include, but are not limited to, the following:

- price and volume fluctuations in the overall stock market from time to time;
- significant volatility in the market price and trading volume of securities of regulated investment companies, BDCs or other financial services companies;
- exclusion of our common stock from certain indices could reduce the ability of certain investment funds to own our common stock and put short-term selling pressure on our common stock;

49

---

- changes in regulatory policies or tax guidelines with respect to regulated investment companies or BDCs;
- actual or anticipated changes in our earnings or fluctuations in our operating results or changes in the expectations of securities analysts;
- general economic conditions and trends;
- loss of a major funding source; or
- departures of key personnel.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been brought against such company. Due to the potential volatility of our stock price, we may therefore be the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources from our business. Refer to "Risks relating to our business and structure — Our business and operation could be negatively affected if we become subject to any additional securities litigation or shareholder activism, which could cause us to incur significant expense, hinder execution of our investment strategy and impact our stock price."

**Our shares of common stock have traded at a discount from net asset value and may do so in the future.**

Shares of BDCs have frequently traded at a market price that is less than the net asset value that is attributable to those shares. Our common stock traded below our net asset value per share during some periods from 2010 through March 2023. Our common stock could trade at a discount to net asset value at any time in the future. The possibility that our shares of common stock may trade at a discount from net asset value over the long term is separate and distinct from the risk that our net asset value will decrease. Due to market volatility beginning with the COVID-19 pandemic in 2020, the stocks of BDCs as an industry, including shares of our common stock, have traded below net asset value, and at times at or near historic lows as a result of concerns over liquidity, leverage restrictions and distribution requirements.

If our common stock trades below its net asset value, we will generally not be able to issue additional shares of our common stock at its market price without first obtaining the approval for such issuance from our stockholders and our independent directors. If additional funds are not available to us, we could be forced to curtail or cease our

50

---

new lending and investment activities, and our net asset value could decrease and our level of distributions could be impacted. Our net asset value may also decline over time if our principal recovery with respect to CLO equity investments is less than the price that we paid for those investments.

**There is a risk that investors in our equity securities will not receive distributions or that our distributions will not grow over time and a portion of our distributions could be a return of capital.**

We intend to make distributions to our stockholders out of assets legally available for distribution. We cannot assure you that we will achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions. Our ability to pay distributions could be adversely affected by the impact of one or more of the risk factors described in this Annual Report on Form 10-K as well as any amendments reflected in subsequent filings with the SEC. In addition, all distributions are and will be paid at the discretion of our Board of Directors and will depend on our earnings, financial condition, maintenance of our RIC status, compliance with applicable BDC regulations and such other factors as our Board of Directors could deem relevant from time to time. If we declare a distribution and if more stockholders opt to receive cash distributions rather than participate in our dividend reinvestment plan, we could be forced to sell some of our investments in order to make cash distribution payments. To the extent we make distributions to stockholders that include a return of capital, such portion of the distribution essentially constitutes a return of the stockholder's investment. Although such return of capital is generally not currently taxable, such distributions would generally decrease a stockholder's basis in our common stock and could therefore increase such stockholder's tax liability for capital gains upon the future sale or other disposition of such common stock. A return of capital distribution could cause a stockholder to recognize a capital gain from the sale of our common stock even if the stockholder sells its shares for less than the original purchase price.

50

---

**Your interest in us may be diluted if you do not fully exercise your subscription rights in any rights offering.**

In the event we issue subscription rights or warrants to purchase shares of our common stock, stockholders who do not fully exercise their rights or warrants should expect that they will, at the completion of the offer, own a smaller proportional interest in us than would otherwise be the case if they fully exercised their rights or warrants. We cannot state precisely the amount of any such dilution in share ownership because we do not know at this time what proportion of the shares will be purchased as a result of the offer.

In addition, if the subscription price is less than our net asset value per share, then our stockholders would experience an immediate dilution of the aggregate net asset value of their shares as a result of the offer. The amount of any decrease in net asset value is not predictable because it is not known at this time what the subscription price, warrant exercise price or net asset value per share will be on the expiration date of such rights offering or what proportion of the shares will be purchased as a result of the offer. Such dilution could be substantial.

**If we issue preferred stock, the net asset value and market value of our common stock will likely become more volatile.**

We cannot assure you that the issuance of preferred stock would result in a higher yield or return to the holders of the common stock. The issuance of preferred stock would likely cause the net asset value and market value of the common stock to become more volatile. If the distribution rate on the preferred stock were to approach the net rate of return on our investment portfolio, the benefit of leverage to the holders of the common stock would be reduced. If the distribution rate on the preferred stock were to exceed the net rate of return on our portfolio, the leverage would result in a lower rate of return to the holders of common stock than if we had not issued preferred stock. Any decline in the net asset value of our investments would be borne entirely by the holders of common stock. Therefore, if the market value of our portfolio were to decline, the leverage would result in a greater decrease in net asset value to the holders of common stock than if we were not leveraged through the issuance of preferred stock. This greater net asset value decrease would also tend to cause a greater decline in the market price for the common stock. We might be in danger of failing to maintain the required asset coverage of the preferred stock or of losing our ratings, if any, on the preferred stock or, in an extreme case, our current investment income might not be sufficient to meet the distribution requirements on the preferred stock. In order to counteract such an event, we might need to liquidate investments in order to fund a redemption of some or all of the preferred stock. In addition, we would pay (and the holders of common stock would bear) all costs and expenses relating to the issuance and ongoing maintenance of the preferred stock, including a likely higher advisory fee. Holders of preferred stock may have different interests than holders of common stock and may at times have disproportionate influence over our affairs.

51

---

**Holders of any preferred stock we might issue would have the right to elect members of our Board of Directors and class voting rights on certain matters.**

Holders of any preferred stock we might issue, voting separately as a single class, would have the right to elect two members of our Board of Directors at all times and in the event distributions become two full years in arrears would have the right to elect a majority of the directors until such arrearage is completely eliminated. In addition, preferred stockholders have class voting rights on certain matters, including changes in fundamental investment restrictions and conversion to open-end status, and accordingly can veto any such changes. Restrictions imposed on the declarations and payment of distributions or other distributions to the holders of our common stock and preferred stock, both by the 1940 Act and by requirements imposed by rating agencies, if any, or the terms of our credit facilities, if any, might impair our ability to maintain our tax treatment as a RIC for U.S. federal income tax purposes. While we would intend to redeem our preferred stock to the extent necessary to enable us to distribute our income as required to maintain our qualification as a RIC, there can be no assurance that such actions could be effected in time to meet the tax requirements.

**The net asset value per share of our common stock may be diluted if we sell shares of our common stock in one or more offerings at prices below the then current net asset value per share of our common stock.**

If we were to sell shares of our common stock below its then current net asset value per share, such sales would result in an immediate dilution to the net asset value per share of our common stock. This dilution would occur as a result of the sale of shares at a price below the then current net asset value per share of our common stock and a

51

---

proportionately greater decrease in the stockholders' interest in our earnings and assets and their voting interest in us than the increase in our assets resulting from such issuance. Because the number of shares of common stock that could be so issued and the timing of any issuance is not currently known, the actual dilutive effect cannot be predicted.

Further, if our current stockholders do not purchase any shares to maintain their percentage interest, regardless of whether such offering is above or below the then current net asset value per share, their voting power will be diluted. For example, if we sell an additional 10% of our common shares at a 10% discount from net asset value, a stockholder who does not participate in that offering for its proportionate interest will suffer net asset value dilution of up to 1.0% or \$10 per \$1,000 of net asset value.

**GENERAL RISKS RELATING TO THE ECONOMY**

**We are operating in a period of capital markets volatility and economic uncertainty. The conditions have materially and adversely affected debt and equity capital markets in the United States, and any future volatility or instability in capital markets may have a negative impact on our business and operations.**

From time to time, capital markets may experience periods of volatility and instability for a variety of reasons. We are currently operating in a period of market volatility, as a result of, among other factors, elevated levels of inflation and following a period of uncertainty as a result of the Coronavirus pandemic. Uncertainty remains as to the probability of, and length and depth of a global recession and the impact of actions taken by the Federal Reserve, foreign central

banks and other U.S. and global governmental entities or the impact of the Coronavirus pandemic or other public health concerns. Government spending, government policies, including recent increases in certain interest rates by the Federal Reserve, and disruptions in supply chains in the United States and elsewhere, whether in response to the Coronavirus pandemic or otherwise, in conjunction with other factors have led and could continue to lead to a continued inflationary economic environment that could affect the Company's portfolio companies, the Company's financial condition and the Company's results of operations. In addition to the factors described above, other factors described herein that may affect market, economic and geopolitical conditions, and thereby adversely affect the Company including, without limitation, economic slowdown in the United States and internationally, changes in interest rates and/or a lack of availability of credit in the United States and internationally, commodity price volatility and changes in law and/or regulation, and uncertainty regarding government and regulatory policy. The full impact of any such risks is uncertain and difficult to predict.

Capital markets volatility and instability have also occurred in the past and may occur in the future. For example, from 2008 to 2009, the global capital markets were unstable as evidenced by the lack of liquidity in the debt capital markets, significant write-offs in the financial services sector, the re-pricing of credit risk in the broadly syndicated credit market and the failure of major financial institutions. Despite actions of the U.S. federal government and various foreign governments, these events contributed to worsening general economic conditions

52

---

that materially and adversely impacted the broader financial and credit markets and reduced the availability of debt and equity capital for the market as a whole and financial services firms in particular. There have been more recent periods of volatility and there can be no assurance that adverse market conditions will not repeat themselves in the future. Furthermore, uncertainty between the United States and other countries with respect to trade policies, treaties and tariffs, among other factors, have caused volatility in the global markets, and we cannot assure you that these market conditions will not continue or worsen in the future. Terrorist acts, acts of war, natural disasters, or disease outbreaks, pandemics or other public health crises may cause periods of market instability and volatility and may disrupt the operations of us and our portfolio companies for extended periods of time. If similar adverse and volatile market conditions repeat in the future, we and other companies in the financial services sector may have to access, if available, alternative markets for debt and equity capital in order to grow. Equity capital may be particularly difficult to raise during periods of adverse or volatile market conditions because, subject to some limited exceptions, as a BDC, we are generally not able to issue additional shares of our common stock at a price less than the net asset value per share without first obtaining approval for such issuance from our stockholders and our Board of Directors, including all of our directors who are not "interested persons" of the Company, as defined in the 1940 Act.

Moreover, the re-appearance of market conditions similar to those experienced from 2008 through 2009 for any substantial length of time or worsened market conditions, including as a result of U.S. government shutdowns or the perceived creditworthiness of the United States, could make it difficult for us to borrow money or to extend the maturity of or refinance any indebtedness we may have under similar terms and any failure to do so could have a material adverse effect on our business. The debt capital that will be available to us in the future, if any, may be at

52

---

a higher cost and on less favorable terms and conditions than would currently be available. If we are unable to raise or refinance debt, stockholders may not benefit from the potential for increased returns on equity resulting from leverage and we may be limited in our ability to make new commitments or to fund existing commitments to our portfolio companies.

Given the periods of extreme volatility and dislocation in the capital markets from time to time, many BDCs have faced, and may in the future face, a challenging environment in which to raise or access capital. In addition, significant changes in the capital markets, including the extreme volatility and disruption over the past several years, has had, and may in the future have, a negative effect on asset valuations and on the potential for liquidity events. While most of our investments will not be publicly traded, applicable accounting standards require us to assume as part of our valuation process that our investments are sold in a principal market to market participants (even if we plan on holding an investment through to maturity). As a result, volatility in the capital markets can adversely affect the valuations of our investments. Further, the illiquidity of our investments may make it difficult for us to sell such investments to access capital if required. As a result, we could realize significantly less than the value at which we have recorded our investments if we were required to sell them for liquidity purposes. In addition, a prolonged period of market illiquidity may cause us to reduce the volume of loans and debt securities we originate and/or fund and adversely affect the value of our portfolio investments, which could have a material and adverse effect on our business, financial condition, results of operations and cash flows. An inability to raise or access capital could have a material adverse impact on our business, financial condition or results of operations.

**The COVID-19 pandemic has caused severe disruptions in the U.S. economy and has disrupted financial activity in the areas in which we or our portfolio companies operate.**

Since the initial outbreak, the COVID-19 pandemic has delivered a shock to the global economy. The spread of COVID-19, including the multiple variants thereof, has had, and will continue to have a material adverse impact on local economies in the affected jurisdictions and also on the global economy. The

extent to which the COVID-19 pandemic will continue to affect our business, financial condition, liquidity, our portfolio companies' results of operations and by extension our operating results will depend on future developments, which are highly uncertain and cannot be predicted.

As COVID-19 continues to spread, the potential impacts, including a global, regional, or other economic recession, remain uncertain and difficult to assess. The extent of the impact of the COVID-19 pandemic on the financial performance of our current and future investments will depend on future developments, including the duration and spread of the virus, related advisories and restrictions, and the health of the financial markets and economy, all of which are highly uncertain and cannot be predicted. To the extent our portfolio companies are adversely impacted by the effects of the COVID-19 pandemic, it may have a material adverse impact on our future net investment income, the fair value of our portfolio investments and our financial condition.

53

---

**Political, social and economic uncertainty including uncertainty related to the COVID-19 pandemic, creates and exacerbates risks.**

Social, political, economic and other conditions and events (such as natural disasters, epidemics and pandemics, terrorism, conflicts and social unrest) will occur that create uncertainty and have significant impacts on issuers, industries, governments and other systems, including the financial markets, to which companies and their investments are exposed. As global systems, economies and financial markets are increasingly interconnected, events that once had only local impact are now more likely to have regional or even global effects. Events that occur in one country, region or financial market will, more frequently, adversely impact issuers in other countries, regions or markets, including in established markets such as the United States. These impacts can be exacerbated by failures of governments and societies to adequately respond to an emerging event or threat.

Uncertainty can result in or coincide with, among other things: increased volatility in the financial markets for securities, derivatives, loans, credit and currency; a decrease in the reliability of market prices and difficulty in valuing assets (including portfolio company assets); greater fluctuations in spreads on debt investments and currency exchange rates; increased risk of default (by both government and private obligors and issuers); further social, economic, and political instability; nationalization of private enterprise; greater governmental involvement in the economy or in social factors that impact the economy; changes to governmental regulation and supervision of the loan, securities, derivatives and currency markets and market participants and decreased or revised monitoring of such markets by governments or self-regulatory organizations and reduced enforcement of regulations; limitations on the activities of investors in such markets; controls or restrictions on foreign investment, capital controls and limitations on repatriation of invested capital; the significant loss of liquidity and the inability to purchase, sell and otherwise fund investments or settle transactions (including, but not limited to, a market freeze); unavailability of currency hedging techniques; substantial, and in some periods extremely high rates of inflation, which can last many years and have substantial negative effects on credit and securities markets as well as the economy as a whole; recessions; and difficulties in obtaining and/or enforcing legal judgments.

**Global economic, regulatory and market conditions may adversely affect our business, results of operations and financial condition, including our revenue growth and profitability.**

From time to time, social and political tensions in the United States and around the world, may contribute to increased market volatility, may have long-term effects on the U.S. and worldwide financial markets, and may cause economic uncertainties or deterioration in the United States and worldwide. For example, U.S. and global capital markets experienced extreme volatility and disruption during the economic downturn that began in mid-2007, and the U.S. economy was in a recession for several consecutive calendar quarters during the same period.

53

---

Volatility in the global financial markets resulting from relapse of the Eurozone crisis, geopolitical developments in Eastern Europe, turbulence in the Chinese stock markets and global commodity markets, the United Kingdom's departure from the European Union ("EU") or otherwise could have a material adverse effect on our business, financial condition and results of operations.

Volatility in the global financial markets could have an adverse effect on the United States and could result from a number of causes, including a relapse in the Eurozone crisis, geopolitical developments in Eastern Europe, turbulence in the Chinese stock markets and global commodity markets or otherwise. In 2010, a financial crisis emerged in Europe, triggered by high budget deficits and rising direct and contingent sovereign debt in Greece, Ireland, Italy, Portugal and Spain, which created concerns about the ability of these nations to continue to service their sovereign debt obligations. While the financial stability of many of such countries has improved significantly, risks resulting from any future debt crisis in Europe or any similar crisis could have a detrimental impact on the global economic recovery, sovereign and non-sovereign debt in these countries and the financial condition of European financial institutions.

Market and economic disruptions have affected, and may in the future affect, consumer confidence levels and spending, personal bankruptcy rates, levels of incurrence and default on consumer debt and home prices, among other factors. Uncertainty between the United States and other countries with respect to trade policies, treaties and tariffs, among other factors, have caused disruptions in the global markets, including markets in which we participate. We cannot assure you that these market conditions will not continue or worsen in the future.

Furthermore, we cannot assure you that market disruptions in Europe, including the increased cost of funding for certain governments and financial institutions, will not impact the global economy, and we cannot assure you that assistance packages will be available, or if available, be sufficient to stabilize countries and markets in Europe or elsewhere affected by a financial crisis. To the extent uncertainty regarding any economic recovery in Europe negatively impacts consumer confidence and consumer credit factors, our business, financial condition and results of operations could be significantly and adversely affected.

The occurrence of events similar to those in recent years, such as the aftermath of the war in Iraq, instability in Afghanistan, Pakistan, Egypt, Libya, Syria, Russia, Ukraine and the Middle East, ongoing epidemics of infectious diseases in certain parts of the world, such as the COVID-19 outbreak, terrorist attacks in the U.S. and around the world, social and political discord, debt crises, sovereign debt downgrades, continued tensions between North Korea and the United States and the international community generally, new and continued political unrest in various countries, such as Venezuela, the exit or potential exit of one or more countries from the EU or the Economic and Monetary Union, the change in the U.S. president and the new administration, among others, may result in market volatility, may have long term effects on the U.S. and worldwide financial markets, and may cause further economic uncertainties in the U.S. and worldwide.

In addition, the foreign and fiscal policies of foreign nations, such as Russia and China, may have a severe impact on the worldwide and U.S. financial markets.

**Increased geopolitical unrest, terrorist attacks, or acts of war may affect any market for our common stock, impact the businesses in which we invest, and harm our business, operating results, and financial conditions.**

Terrorist activity and the continued threat of terrorism and acts of civil or international hostility, both within the United States and abroad, as well as ongoing military and other actions and heightened security measures in response to these types of threats, may cause significant volatility and declines in the global markets, loss of life, property damage, disruptions to commerce and reduced economic activity, which may negatively impact the businesses in which we invest directly or indirectly and, in turn, could have a material adverse impact on our business, operating results, and financial condition. Losses from terrorist attacks are generally uninsurable.

**The Russian invasion Israel-Hamas war and the conflict between Russia and Ukraine, and resulting market volatility, could also adversely affect the Company's business, operating results, and financial condition. The extent and duration or escalation of Ukraine may such conflicts, resulting sanctions and resulting future market disruptions are impossible to predict, but could be significant. Any disruptions resulting from such conflicts and any future conflict (including cyberattacks, espionage or the use or threatened use of nuclear weapons) or resulting from actual or threatened responses to such actions could cause disruptions to any of our portfolio companies located in Europe or the Middle East or that have substantial business relationships with companies in affected regions. It is not possible to predict the duration or extent of longer-term consequences of these conflicts, which could include further sanctions, retaliatory**

and escalating measures, embargoes, regional instability, geopolitical shifts and adverse effects on or involving macroeconomic conditions, the energy sector, supply chains, inflation, security conditions, currency exchange rates and financial markets around the globe. Any such market disruptions could affect our portfolio companies' operations and, as a result, could have a material adverse impact effect on us and our portfolio companies.

On February 24, 2022, the President of Russia, Vladimir Putin, announced a military invasion of Ukraine. In response, countries worldwide, including the United States, have imposed sanctions against Russia on certain businesses and individuals, including, but not limited to, those in the banking, import and export sectors. This invasion has led, is currently leading, and for an unknown period of time will continue to lead to disruptions in local, regional, national, and global markets and economies affected thereby. These disruptions caused by the invasion have included, and may continue to include, political, social, and economic disruptions and uncertainties that may affect our business, operations or the business operations financial condition and results of our portfolio companies.

**GENERAL RISKS****Operations.**

**Changes in laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy.**

We and our portfolio companies are subject to regulation by laws at the local, state, and federal levels. These laws and regulations, as well as their interpretation, could change from time to time, including as the result of interpretive guidance or other directives from the U.S. President and others in the

executive branch, and new laws, regulations and interpretations could also come into effect. For example, the current U.S. presidential administration could support an enhanced regulatory agenda that imposes greater costs on all sectors and on financial services companies in particular. Any such new or changed laws or regulations could have a material adverse effect on our business, and political uncertainty could increase regulatory uncertainty in the near term.

Changes to the laws and regulations governing our permitted investments may require a change to our investment strategy. Such changes could differ materially from our strategies and plans as set forth in this report and may shift our investment focus from the areas of expertise of Oxford Square Management. Thus, any such changes, if they occur, could have a material adverse effect on our results of operations and the value of your investment in us.

55

**We cannot predict how new tax legislation will affect us, our investments, or our stockholders, and any such legislation could adversely affect our business.**

The current U.S. presidential administration has announced a number of tax law changes that include, among others, a minimum tax on book income and profits of certain multinational corporations. Such legislative changes, any other significant changes in economic or tax policy and/or government programs, as well as any future such changes could have a material adverse impact on us and on our investments.

For example, on August 16, 2022, the U.S. government enacted the Inflation Reduction Act of 2022 which includes changes to the U.S. corporate income tax system, including a 15% minimum tax based on "adjusted financial statement income" for certain large corporations which will not be effective until fiscal year 2024 and a 1% excise tax on share repurchases after December 31, 2022. We are currently assessing the potential impact of these legislative changes.

**The effect of global climate change may impact the operations of our portfolio companies.**

There may be evidence of global climate change. Climate change creates physical and financial risk and some of our portfolio companies may be adversely affected by climate change. For example, the needs of customers of energy companies vary with weather conditions, primarily temperature and humidity. To the extent weather conditions are affected by climate change, energy use could increase or decrease depending on the duration and magnitude of any changes. Increases in the cost of energy could adversely affect the cost of operations of our portfolio companies if the use of energy products or services is material to their business. A decrease in energy use due to weather changes may affect some of our portfolio companies' financial condition, through decreased revenues. Extreme weather conditions in general require more system backup, adding to costs, and can contribute to increased system stresses, including service interruptions. Energy companies could also be affected by the potential for lawsuits against or taxes or other regulatory costs imposed on greenhouse gas emitters, based on links drawn between greenhouse gas emissions and climate change.

In December 2015 the United Nations, of which the U.S. is a member, adopted a climate accord (the "Paris Agreement") with the long-term goal of limiting global warming and the short-term goal of significantly reducing greenhouse gas emissions. On November 4, 2016, the past administration announced that the U.S. would cease participation in the Paris Agreement with the withdrawal taking effect on November 4, 2020. However, on January 20, 2021, President Joseph R. Biden signed an executive order to rejoin the Paris Agreement. As a result, some of our portfolio companies may become subject to new or strengthened regulations or legislation, which could increase their operating costs and/or decrease their revenues.

**Changes to United States tariff and import/export regulations may have a negative effect on our portfolio companies and, in turn, harm us.**

There has been ongoing discussion and commentary regarding potential significant changes to United States trade policies, treaties and tariffs. There is significant uncertainty about the future relationship between the United States and other countries with respect to the trade policies, treaties and tariffs. These developments, or the perception that any of them could occur, may have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global trade and, in particular, trade between the impacted nations and the United States. Any of these factors could depress economic activity and restrict our portfolio companies' access to suppliers or customers and have a material adverse effect on their business, financial condition and results of operations, which in turn would negatively impact us.

**Internal and external cyber threats, as well as other disasters, could impair our ability to conduct business effectively.**

The occurrence of a disaster such as a cyber-attack against us or against a third-party that has access to our data or networks, a natural catastrophe, an industrial accident, a terrorist attack or war, disease pandemics, events unanticipated in our disaster recovery systems, or a support failure from external providers, could have

55

an adverse effect on our ability to conduct business and on our results of operations and financial condition, particularly if those events affect our computer-based data processing, transmission, storage, and retrieval systems or destroy data.

We depend heavily upon computer systems to perform necessary business functions. Despite our implementation of a variety of security measures, our computers, networks, and data, like those of other companies, could be subject to cyber-attacks and unauthorized access, use, alteration, or destruction, such as from physical and electronic break-ins or unauthorized tampering. If one or more of these events occurs, it could potentially jeopardize the confidential, proprietary and other information processed, stored in, and transmitted through our computer systems and networks. Such an attack could cause interruptions or malfunctions in our operations, which could result in financial losses, litigation, regulatory penalties, client dissatisfaction or loss, reputational damage, and increased costs associated with mitigation of damages and remediation.

Third parties with which we do business may also be sources of cybersecurity or other technological risk. We outsource certain functions and these relationships allow for the storage and processing of our information, as well as client, counterparty, employee, and borrower information. While we engage in actions to reduce our exposure resulting from outsourcing, ongoing threats may result in unauthorized access, loss, exposure, destruction, or other cybersecurity incident that affects our data, resulting in increased costs and other consequences as described above.

Certain of our service providers may be impacted by hybrid work policies adopted by companies in response to following the COVID-19 pandemic, which are obstructing the regular functioning of business workforces (including requiring employees to work from external locations and their homes).

**We are highly dependent on information systems and systems failures could significantly disrupt our business, which may, in turn, negatively affect the market price of our common stock and our ability to pay distributions.**

Our business is highly dependent on our and third parties' communications and information systems. Any failure or interruption of those systems, including as a result of the termination of an agreement with any third-party service providers, could cause delays or other problems in our activities. Our financial, accounting, data processing, backup or other operating systems and facilities may fail to operate properly or become disabled or damaged as a result of a number of factors including events that are wholly or partially beyond our control and adversely affect our business. There could be:

- sudden electrical or telecommunications outages;
- natural disasters such as earthquakes, tornadoes and hurricanes;
- events arising from local or larger scale political or social matters, including terrorist acts; and
- cyber-attacks

These events, in turn, could have a material adverse effect on our operating results and negatively affect the market price of our common stock and our ability to pay distributions to our stockholders.

**Cybersecurity risks and cyber incidents may adversely affect our business or the businesses of our portfolio companies by causing disruptions to our operations or to the operations of our portfolio companies, a compromising or corruption of our confidential information or the confidential information of our portfolio companies and/or damage to our business relationships or the business relationships of our portfolio companies, all of which could negatively impact the business, financial condition and operating results of us or our portfolio companies.**

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the information resources of us, Oxford Square Management or our portfolio companies. These incidents may be an intentional attack or an unintentional event and could involve gaining unauthorized access to our or Oxford Square Management's information systems or those of our portfolio companies or third-party vendors for purposes of misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. Despite careful security and controls design, the information technology systems of our portfolio companies and our third-party vendors, Oxford

Square Management's employees may be subject to security breaches the target of fraudulent calls, emails and cyber-attacks the other forms of activities. The result of which could these incidents may include disrupted operations, misstated or unreliable financial data, liability for stolen assets or information, increased cybersecurity protection and insurance costs, litigation and damage to business relationships. Our business operations rely upon secure information technology systems for data processing, storage, and reporting. We depend on the effectiveness of the information and cybersecurity policies, procedures, and capabilities maintained by our affiliates and our and their respective third-party service providers to protect their computer and telecommunications systems and the data that reside on or are transmitted through them.

Substantial costs may be incurred in order to prevent any cyber incidents in the future. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. As our and our portfolio companies' and our third party vendor's reliance on technology has increased,

so have the risks posed to our information systems, both internal and those

provided by Oxford Square Management and third-party service providers, and the information systems of our portfolio companies and third-party vendors. We have companies. Oxford Square Management has implemented processes, procedures and internal controls to help mitigate cybersecurity risks and cyber intrusions, but these measures, as well as our increased awareness of the nature and extent of a risk of a cyber-incident, incident, do not guarantee that a cyber-incident incident will not occur and/or that our financial results, operations or confidential information will not be negatively impacted by such an incident. In addition, cybersecurity continues to be a key priority for regulators around the world, and some jurisdictions have enacted laws requiring companies to notify individuals or the general investing public of data security breaches involving certain types of personal data, including the SEC, which, on July 26, 2023, adopted amendments requiring the prompt public disclosure of certain cybersecurity breaches. If we fail to comply with the relevant laws and regulations, we could suffer financial losses, a disruption of our business, liability to investors, regulatory intervention or reputational damage.

#### We are subject to risks related to corporate social responsibility.

Our business faces increasing public scrutiny related to environmental, social and governance ("ESG") activities. We risk damage to our brand and reputation if we fail to act responsibly in a number of areas, such as environmental stewardship, corporate governance and transparency and considering ESG factors in our investment processes. Adverse incidents with respect to ESG activities could impact the value of our brand, the cost of our operations and relationships with investors, all of which could adversely affect our business and results of operations. Additionally, new regulatory initiatives related to ESG could adversely affect our business.

#### We maintain our cash at financial institutions, often in balances that exceed federally insured limits.

Our cash is held in accounts at a U.S. banking institution that we believe is of high quality. Cash held in non-interest-bearing and interest-bearing operating accounts may exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits. If such banking institutions were to fail, we could lose all or a portion of those amounts held in excess of such insurance limitations. While the FDIC took control of two such banking institutions, Silicon Valley Bank ("SVB"), on March 10, 2023 and Signature Bank ("Signature") on March 12, 2023, we did not have any accounts with SVB or Signature and therefore did not experience any specific risk of loss. As the FDIC continues to address the situation with SVB, Signature Bank and other similarly situated banking institutions, the risk of loss in excess of insurance limitations has generally increased. Any material loss that we may experience in the future could have an adverse effect on our ability to pay our operational expenses or make other payments and may require us to move our accounts to other banks, which could cause a temporary delay in making payments to our vendors and employees and cause other operational inconveniences.

#### Item 1B. Unresolved Staff Comments

Not applicable.

#### Item 1C. Cybersecurity

The Company has processes in place to assess, identify, and manage material risks from cybersecurity threats. The Company's business is dependent on the communications and information systems of Oxford Funds and other third-party service providers. Oxford Funds manages the day-to-day operations of the Company and has implemented a cybersecurity program that applies to the Company and its operations.

#### Cybersecurity Program Overview

Oxford Funds has instituted a cybersecurity program designed to identify, assess, and manage cyber risks applicable to the Company and assists with the oversight of other third party service providers and their cybersecurity programs. The cyber risk management program involves risk assessments, implementation of security measures, and ongoing monitoring of systems and networks, including networks on which the Company relies. Oxford Funds actively monitors the current threat landscape in an effort to identify material risks arising from new and evolving cybersecurity threats, including material risks faced by the Company.

The Company relies on Oxford Funds to engage external experts, including cybersecurity assessors and consultants to evaluate cybersecurity measures and risk management processes, including those applicable to the Company.

The Company relies on Oxford Funds' risk management program and processes, which include cyber risk assessments.

The Company depends on and engages various third parties, including suppliers, vendors, and service providers, to operate its business. The Company relies on its Officers and the expertise of risk management and information technology personnel of Oxford Funds when identifying and overseeing risks from cybersecurity threats, including risks from third parties.

#### **Board Oversight of Cybersecurity Risks**

The Board provides strategic oversight on cybersecurity matters, including risks associated with cybersecurity threats. The Board receives periodic updates from its Chief Compliance Officer ("CCO"), which incorporates updates provided by the Head of Information Technology of Oxford Funds, regarding the overall state of Oxford Funds' cybersecurity program, information on the current threat landscape, and risks from cybersecurity threats and cybersecurity incidents impacting the Company.

#### **Management's Role in Cybersecurity Risk Management**

The Company's management, including the Company's CCO and the Head of Information Technology of Oxford Funds, manages the Company's cybersecurity program. The President and CCO of the Company oversee the Company's oversight function generally and rely on Oxford Funds' Head of Information Technology to manage the assessment and management of material risks from cybersecurity threats. The Head of Information Technology has more than 8 years of experience in actively managing cybersecurity and information security programs for financial services companies with complex information systems. The CCO has been responsible for his oversight function as CCO to the Company for 8 years and has worked in the financial services industry for more than 35 years, during which time the CCO has gained expertise in assessing and managing risk applicable to the Company.

Management of the Company is informed about and monitors the prevention, detection, mitigation, and remediation of cybersecurity incidents impacting the Company, including through the receipt of notifications from service providers and reliance on communications with risk management, legal, information technology, and/or compliance personnel of Oxford Funds.

#### **Assessment of Cybersecurity Risk**

The potential impact of risks from cybersecurity threats on the Company are assessed on an ongoing basis, and how such risks could materially affect the Company's business strategy, operational results, and financial condition are regularly evaluated. During the reporting period, the Company has not identified any risks from cybersecurity threats, including as a result of previous cybersecurity incidents, that the Company believes have materially affected, or are reasonably likely to materially affect, the Company, including its business strategy, operational results, and financial condition.

58

---

#### **Item 2. Properties**

We do not own any real estate or other physical properties materially important to our operation. Our headquarters are located at 8 Sound Shore Drive, Suite 255, Greenwich, Connecticut, where we occupy our office space pursuant to our Administration Agreement with Oxford Funds. We believe that our office facilities are suitable and adequate for our business as it is presently conducted.

#### **Item 3. Legal Proceedings**

We are not currently subject to any pending material legal proceedings. From time to time, we may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of our rights under contracts with our portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our financial condition or results of operations.

#### **Item 4. Mine Safety Disclosures**

Not applicable.

58 59

---

#### **PART II**

#### **Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities**

##### **PRICE RANGE OF COMMON STOCK AND DISTRIBUTIONS**

Our common stock is traded on the Nasdaq Global Select Market under the symbol "OXSQ." The following table sets forth, for each fiscal quarter during the last two fiscal years, the net asset value, or "NAV," per share of our common stock, the high and low intraday sales prices for our common stock, such sales prices as a percentage of NAV per share and quarterly distributions per share.

	Premium or (Discount) of High Sales				Premium or (Discount) of Low Sales				Premium or (Discount) of High Sales				Premium or (Discount) of Low Sales				
	Price Range		Price to	Price to	Distributions		Price Range		Price to	Price to	Distributions		Price Range		Price to	Price to	
	NAV <sup>(1)</sup>	High	Low	NAV <sup>(2)</sup>	NAV <sup>(2)</sup>	Per Share <sup>(3)</sup>	NAV <sup>(1)</sup>	High	Low	NAV <sup>(2)</sup>	NAV <sup>(2)</sup>	Per Share <sup>(3)</sup>	NAV <sup>(1)</sup>	High	Low	NAV <sup>(2)</sup>	
<b>Fiscal 2024</b>																	
First Quarter (through March 14, 2024)																	*
<b>Fiscal 2023</b>																	
Fourth Quarter																	\$2.55 \$3.12 \$2.82 22.4% 10.6% \$ 0.105
Third Quarter																	\$2.78 \$3.29 \$2.68 18.3% (3.6)% \$ 0.225
Second Quarter																	\$2.88 \$3.20 \$2.60 11.1% (9.7)% \$ 0.105
First Quarter																	\$2.80 \$3.70 \$3.00 32.1% 7.1% \$ 0.105
<b>Fiscal 2022</b>																	
Fourth Quarter	\$ 2.78	\$ 3.25	\$ 2.82	16.9%	1.4%	\$ 0.105	\$ 2.78	\$ 3.25	\$ 2.82	16.9%	1.4%	\$ 0.105					
Third Quarter	\$ 3.34	\$ 4.05	\$ 2.94	21.3%	(12.0)%	\$ 0.105	\$ 3.34	\$ 4.05	\$ 2.94	21.3%	(12.0)%	\$ 0.105					
Second Quarter	\$ 3.67	\$ 4.29	\$ 3.45	16.9%	(6.0)%	\$ 0.105	\$ 3.67	\$ 4.29	\$ 3.45	16.9%	(6.0)%	\$ 0.105					
First Quarter	\$ 4.65	\$ 4.42	\$ 3.68	(4.9)%	(20.9)%	\$ 0.105	\$ 4.65	\$ 4.42	\$ 3.68	(4.9)%	(20.9)%	\$ 0.105					
<b>Fiscal 2021</b>																	
Fourth Quarter	\$ 4.92	\$ 4.47	\$ 3.79	(9.1)%	(23.0)%	\$ 0.105											
Third Quarter	\$ 5.03	\$ 5.00	\$ 3.86	(0.6)%	(23.3)%	\$ 0.105											
Second Quarter	\$ 4.91	\$ 5.22	\$ 4.56	6.3%	(7.1)%	\$ 0.105											
First Quarter	\$ 4.88	\$ 4.78	\$ 3.05	(2.0)%	(37.5)%	\$ 0.105											

(1) Net asset value per share is determined as of the last day in the relevant quarter and therefore may not reflect the net asset value per share on the date of the high and low sales prices. The net asset values shown are based on outstanding shares at the end of each period.

(2) Calculated as the respective high or low intraday sales price divided by NAV and subtracting 1.

(3) Represents the cash distributions, including dividends, dividends reinvested and returns of capital, if any, per share that we have declared on our common stock in the specified quarter.

On March 17, 2023, 14, 2024, the last reported sales price of our common stock was \$3.06 \$3.09 per share. As of March 17, 2023 March 14, 2024, we had 129 125 stockholders of record.

Shares of BDCs may trade at a market price that is less than the value of the net assets attributable to those shares. The possibility that our shares of common stock will trade at a discount from net asset value or at premiums that are unsustainable over the long term are separate and distinct from the risk that our net asset value will decrease. Since 2008, our Our shares of common stock have traded both at a premium and a discount to the net assets attributable to those shares. As of March 17, 2023, 14, 2024, our shares of common stock traded at a premium equal to approximately 10.1% 21.2% of the net asset value per share as of December 31, 2022 December 31, 2023. It is not possible to predict whether the shares offered hereby will trade at, above, or below net asset value.

#### Distributions

We currently intend to distribute a minimum of 90% of our ordinary income and short-term capital gains (net of short-term capital losses), if any, on a quarterly basis to our stockholders, in accordance with our election to be treated, and intention to qualify annually, as a RIC under Subchapter M of the Code. For a more detailed discussion of the requirements under Subchapter M, please refer to the discussion in "Business — Certain U.S. Federal Income

Tax Considerations" set forth above. In order to qualify as a RIC, we are required, under Subchapter M of the Code, to distribute at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses to our stockholders on an annual basis.

A written statement identifying the nature of our distributions for tax reporting purposes was posted on our website. The final determination of the nature of distribution can only be made upon the filing of our tax return. We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. In addition, we may be limited in our ability to make distributions due to the asset coverage requirements applicable to us as a BDC under the 1940 Act. If we do not distribute a certain percentage of our income annually, we will suffer adverse tax consequences, including possible loss of RIC tax treatment. We cannot assure stockholders that they will receive any distributions.

To the extent our taxable earnings fall below the total amount of our distributions for that fiscal year, a portion of those distributions may be deemed a tax return of capital to our stockholders. Thus, the source of a distribution to our stockholders may be the original capital invested by the stockholder rather than our taxable ordinary income or capital gains. Stockholders should read any written disclosure accompanying a distribution payment carefully and should not assume that the source of any distribution is taxable ordinary income or capital gains.

#### Recent Sales of Unregistered Securities

We did not engage in unregistered sales of equity securities during the year ended December 31, 2022 December 31, 2023, however, we issued a total of 154,737,309,016 shares of common stock under our distribution reinvestment plan. This issuance was not subject to the registration requirements of the Securities Act of 1933, as amended. The aggregate value for the shares of common stock issued under the distribution reinvestment plan was approximately \$0.5 \$0.9 million.

#### Issuer Purchases of Equity Securities

During the year ended December 31, 2022 December 31, 2023, no common stock was repurchased.

#### Performance Graph

The graph below compares the cumulative stockholder return on our common stock with that of the NASDAQ Composite Index and the NASDAQ Financial 100, as we do not believe there is an appropriate index of companies with an investment strategy similar to our own with which to compare the return on our common stock, for the period from December 31, 2017 December 31, 2018 through December 31, 2022 December 31, 2023. The graph assumes that, on December 31, 2017 December 31, 2018, a person invested \$100 in each of our common stock, the NASDAQ Composite Index and the NASDAQ Financial 100, which includes the 100 largest domestic and international financial organizations listed on the NASDAQ Stock Market based on market capitalization. The NASDAQ Financial 100 contains banks and savings institutions and related holding companies, insurance companies, broker-dealers, investment companies and financial services organizations.

The graph measures cumulative total stockholder return, which takes into account both changes in stock price and distributions. It assumes that distributions paid are reinvested in like securities.

The graph and the information furnished under this Part II Item 5 of this Form 10-K shall not be deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Exchange Act. The stock price performance included in the below graph is not necessarily indicative of future stock price performance.

#### FEES AND EXPENSES

The following table is intended to assist you in understanding the costs and expenses that you will bear directly or indirectly. We caution you that some of the percentages indicated in the table below are estimates and may vary. Except where the context suggests otherwise, whenever this Annual Report on Form 10-K contains a reference to fees or expenses paid by "us" or "OXSQ," or that "we" will pay fees or expenses, you will indirectly bear such fees or expenses as an investor in OXSQ.

##### Stockholder transaction expenses:

Sales load (as a percentage of offering price)	—%	<sup>(1)</sup>	—%	<sup>(1)</sup>
Offering expenses borne by our common stockholders (as a percentage of offering price)	—%	<sup>(2)</sup>	—%	<sup>(2)</sup>
Distribution reinvestment plan expenses	None <sup>(3)</sup>		—%	<sup>(3)</sup>
Total stockholder transaction expenses (as a percentage of offering price)	—%		—%	
<b>Annual expenses (as a percentage of net assets attributable to our common stock):</b>				
Base management fee	3.01% <sup>(4)</sup>		2.44% <sup>(4)</sup>	
Incentive fees payable under our investment advisory agreement	—%	<sup>(5)</sup>	—%	<sup>(5)</sup>
Interest payments on borrowed funds	6.55% <sup>(6)</sup>		3.90% <sup>(6)</sup>	
Other expenses	2.21% <sup>(7)</sup>		2.73% <sup>(3)(7)</sup>	
Total annual expenses	11.77% <sup>(8)</sup>		9.07% <sup>(8)</sup>	

(1) If applicable, the prospectus or prospectus supplement relating to an offering of our securities will disclose the applicable sales load and the "Example" will be updated accordingly.

61 62

(2) If applicable, the prospectus or prospectus supplement relating to an offering of our securities will disclose the applicable offering expenses and total stockholder transaction expenses as a percentage of the offering price.

(3) The expenses of the distribution reinvestment plan are included in "other expenses." The plan administrator's fees will be paid by us. We will not charge any brokerage charges or other charges to stockholders who participate in the plan. However, your own broker may impose brokerage charges in connection with your participation in the plan.

(4) Assumes gross assets (which equals the total assets on our Statements of Assets and Liabilities adjusted as described in this footnote) of \$378.0 \$327.7 million and \$189.7 \$125.3 million of leverage (including \$64.4 million in aggregate principal of our 6.50% Unsecured Notes, \$44.8 million in aggregate principal of our 6.25% Unsecured Notes and \$80.5 million in aggregate principal of our 5.50% Unsecured Notes in each case, as of December 31, 2022 December 31, 2023), and assumes net assets of \$188.7 \$201.3 million (which has been adjusted to reflect the net issuance of an additional \$50.0 million of common stock). The above calculation presents our base management fee as a percentage of our net assets. Our base management fee under the Investment Advisory Agreement, however, is based on our gross assets, which is defined as all the assets of Oxford Square Capital Corp., including those acquired using borrowings for investment purposes. As a result, to the extent we use additional leverage, it would have the effect of increasing our base management fee as a percentage of our net assets. See *Item 1. Business — Investment Advisory Agreement* in this Annual Report on Form 10-K.

(5) Assumes no annual incentive fees earned by Oxford Square Management. While Oxford Square Management did not earn incentive fees during the year ended December 31, 2022 December 31, 2023, due to the Total Return Requirement described under *Item 1. Business — Investment Advisory Agreement — Advisory Fee* in this Annual Report on Form 10-K, there is no expectation for Oxford Square Management to earn incentive fees for the year ending December 31, 2024. In subsequent periods, incentive fees may be earned by Oxford Square Management if, and to the extent that, we earn greater investment income through our investments in portfolio companies and realize additional gains upon the sale of investments in such companies. For a detailed discussion of the calculation of the incentive fees, see *Item 1 — Business — Investment Advisory Agreement — Advisory Fee* in this Annual Report on Form 10-K.

(6) Assumes that we have \$189.7 \$125.3 million of outstanding principal borrowings as of December 31, 2022 December 31, 2023. The calculation also assumes an effective interest rate of 7.00% (including amortization of deferred issuance costs) on the approximately \$64.4 million of 6.50% Unsecured Notes outstanding as of December 31, 2022, an effective interest rate of 6.77% (including amortization of deferred issuance costs) on the approximately \$44.8 million of 6.25% Unsecured Notes outstanding as of December 31, 2022 December 31, 2023, and an effective interest rate of 5.98% (including amortization of deferred issuance costs) on the approximately \$80.5 million of 5.50% Unsecured Notes outstanding as of December 31, 2022 December 31, 2023. This table includes all of the commitment fees, interest expense and amortized financing costs of the 6.50% Unsecured Notes, 6.25% Unsecured Notes and 5.50% Unsecured Notes, as well as the fees and expenses of issuing and servicing any other borrowings or leverage that the Company expects to incur during the 12 months following the filing of this Annual Report on Form 10-K. We may issue preferred stock, which may be considered a form of leverage, pursuant to the registration statement of which the prospectus forms a part, although we have no current plans to do so during the 12 months following the Annual Report on Form 10-K.

(7) "Other expenses" is based on the actual expenses for the year ended December 31, 2022 December 31, 2023, and adjusted for any new and non-recurring expenses, such as an assumed issuance of an additional \$50.0 million of common stock. These expenses include certain expenses allocated to the Company under the Investment Advisory Agreement, such as travel expenses incurred in connection with the investigation and monitoring of our investments. In the event of a debt restructuring or extinguishment, we may incur a loss comprised of deferred financing costs and note discount which may cause actual expenses to exceed those amounts projected in the table.

(8) "Total annual expenses" is presented as a percentage of net assets attributable to common stockholders, because the holders of shares of our common stock (and not the holders of our debt securities or preferred stock, if any) bear all of our fees and expenses. **The indirect expenses associated with the Company's CLO equity investments are not included in the fee table presentation, but if such expenses were included in the fee table presentation then OXSQ's total annual expenses would have been 26.17% 19.71%.**

62 63

#### Example

The following example demonstrates the projected dollar amount of total cumulative expenses that would be incurred over various periods with respect to a hypothetical investment in our common stock, assuming (1) a 2.00% sales load (underwriting discounts and commissions) and offering stock. In calculating the following expense amounts, we have assumed that our annual operating expenses totaling 0.37%, (2) total net estimated annual expenses of 11.77% of average net assets attributable to our common stock as would remain at the levels set forth in the table above and (3) a 5% annual return, above.

	1 Year	3 Years	5 Years	10 Years	1 Year	3 Years	5 Years	10 Years
You would pay the following expenses on a \$1,000 investment, assuming a 5% annual return <sup>(1)</sup>	\$ 135	\$ 335	\$ 508	\$ 850	\$ 89	\$ 256	\$ 410	\$ 742
You would pay the following expenses on a \$1,000 investment, assuming a 5% annual return entirely from realized gains <sup>(2)</sup>	\$ 143	\$ 356	\$ 537	\$ 879	\$ 98	\$ 280	\$ 444	\$ 785

(1) Assumes that we will not realize any capital gains computed net of all realized capital losses and unrealized capital depreciation.  
 (2) Assumes no unrealized capital depreciation and a 5% annual return resulting entirely from net realized capital gains and not otherwise deferrable under the terms of the Investment Advisory Agreement and therefore subject to the incentive fee based on capital gains. Because our investment strategy involves investments that generate primarily current income, we believe that a 5% annual return resulting entirely from net realized capital gains is unlikely.

**The example and the expenses in the tables above should not be considered a representation of our future expenses, and actual expenses may be greater or less than those shown.** Moreover, while the example assumes, as required by the SEC, a 5.0% annual return, our performance will vary and may result in a return greater or less than 5.0%. The income incentive fee under our Investment Advisory Agreement, which, assuming a 5% annual return, would either not be payable or would have an insignificant impact on the expense amounts shown above, is not included in the example. If we achieve sufficient returns on our investments to trigger an income incentive fee of a material amount, our expenses, and returns to our investors, would be higher. In addition, while the example assumes reinvestment of all distributions at net asset value, participants in our distribution reinvestment plan may receive shares valued at the market price in effect at that time. This price may be at, above or below net asset value. See "Distribution Reinvestment Plan" for additional information regarding our distribution reinvestment plan.

#### Item 6. [Reserved]

#### Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

##### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about Oxford Square Capital Corp., our current and prospective portfolio investments, our industry, our beliefs, and our assumptions. Words such as "anticipates," "expects," "intends," "plans," "will," "may," "continue," "believes," "seeks," "estimates," "would," "could," "should," "targets," "projects," and variations of these words and similar expressions are intended to identify forward-looking statements. The forward-looking statements contained in this Annual Report on Form 10-K involve risks and uncertainties, including statements as to:

- our future operating results, including our ability to achieve objectives;
- our business prospects and the prospects of our portfolio companies;
- the impact of investments that we expect to make;
- our contractual arrangements and relationships with third parties;
- the dependence of our future success on the general economy and its impact on the industries in which we invest;

- the ability of our portfolio companies and CLO investments to achieve their objectives;

63 64

---

- the valuation of our investments in portfolio companies and CLOs, particularly those having no liquid trading market;
- market conditions and our ability to access alternative debt markets and additional debt and equity capital;
- our expected financings and investments;
- the adequacy of our cash resources and working capital;
- the timing of cash flows, if any, from the operations of our portfolio companies and CLO investments; and
- the ability of our investment adviser to locate suitable investments for us and monitor and administer our investments .investments.

These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including without limitation:

- an economic downturn could impair our portfolio companies' and CLO investments' ability to continue to operate, which could lead to the loss of some or all of our investments in such portfolio companies and CLO investments;
- the impact of the elimination of the London Interbank Offered Rate ("LIBOR") and implementation of alternatives to LIBOR on our operating results;**
- a contraction of available credit and/or an inability to access the equity markets including as a result of the current COVID-19 pandemic, could impair our lending and investment activities;
- interest rate volatility could adversely affect our results, particularly because we use leverage as part of our investment strategy;
- the elevated levels of inflation and its impact on our investment activities and the industries in which we invest;
- currency fluctuations could adversely affect the results of our investments in foreign companies, particularly to the extent that we receive payments denominated in foreign currency rather than U.S. dollars;
- the impact of information technology system failures, data security breaches, data privacy compliance, network disruptions and cybersecurity attacks; and
- the risks, uncertainties and other factors we identify in Item 1A. — Risk Factors and elsewhere in this Annual Report on Form 10-K and in our filings with the SEC.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, the forward-looking statements based on those assumptions also could be inaccurate. Important assumptions include our ability to originate new loans and investments, certain margins and levels of profitability and the availability of additional capital. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this annual report on Form 10-K should not be regarded as a representation by us that our plans and objectives will be achieved. These risks and uncertainties include those described or identified in Item 1A. — Risk Factors and elsewhere in this annual report on Form 10-K. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this annual report on Form 10-K.

*The following analysis of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes thereto contained elsewhere in this Form 10-K.*

64 65

---

## OVERVIEW

Our investment objective is to maximize our portfolio's total return. Our primary focus is to seek an attractive risk-adjusted total return by investing primarily in corporate debt securities and in CLOs, which are structured finance investments that own corporate debt securities. CLO investments may also include warehouse facilities, which are early-stage CLO vehicles intended to aggregate loans that may be used to form the basis of a traditional CLO vehicle. We operate as a closed-end, non-diversified management investment company and have elected to be regulated as a BDC under the 1940 Act. We have elected to be treated for tax purposes as a RIC, under the Code.

Our investment activities are managed by Oxford Square Management, a registered investment adviser under the Investment Advisers Act of 1940, as amended. Oxford Square Management is owned by Oxford Funds, its managing member, and a related party, Charles M. Royce, a member of our Board who holds a minority, non-controlling interest in Oxford Square Management. Jonathan H. Cohen, our Chief Executive Officer, and Saul B. Rosenthal, our President, are the controlling members of Oxford Funds. Under the Investment Advisory Agreement, we have agreed to pay Oxford Square Management an annual Base Fee calculated on gross assets, and an incentive fee based upon our performance. Under the Administration Agreement, we have agreed to pay or reimburse Oxford Funds, as administrator, for certain expenses incurred in operating the Company. Our executive officers and directors, and the executive officers of Oxford Square Management and Oxford Funds, serve or may serve as officers and directors of entities that operate in a line of business similar to our own. Accordingly, they may have obligations to investors in those entities, the fulfillment of which might not be in the best interests of us or our stockholders.

We generally expect to invest between \$5 million and \$50 million in each of our portfolio companies, although this investment size may vary proportionately as the size of our capital base changes and market conditions warrant. We expect that our investment portfolio will be diversified among a large number of investments with few investments, if any, exceeding 5.0% of the total portfolio. As of **December 31, 2022** December 31, 2023, our debt investments had stated interest rates of between **7.63%** 9.22% and **14.24%** 16.00% and maturity dates of between **10** and **86** 74 months. In addition, our total portfolio had a weighted average annualized yield on debt investments of approximately **11.85%** 13.30%.

The weighted average annualized yield of our debt investments is not the same as a return on investment for our stockholders but, rather, relates to a portion of our investment portfolio and is calculated before the payment of all of our fees and expenses. The weighted average annualized yield was computed using the effective interest rates as of **December 31, 2022** December 31, 2023, including accretion of OID and excluding any debt investments on non-accrual status. There can be no assurance that the weighted average annualized yield will remain at its current level.

We have historically borrowed funds to make investments and may continue to borrow funds to make investments. As a result, we are exposed to the risks of leverage, which may be considered a speculative investment technique. Borrowings, also known as leverage, magnify the potential for gain and loss on amounts invested and therefore increase the risks associated with investing in our securities. In addition, the costs associated with our borrowings, including any increase in the management fee payable to Oxford Square Management, will be borne by our common stockholders.

In addition, as a BDC under the 1940 Act, we are required to make available significant managerial assistance, for which we may receive fees, to our portfolio companies. This assistance could involve, among other things, monitoring the operations of our portfolio companies, participating in board and management meetings, consulting with and advising officers of portfolio companies and providing other organizational and financial guidance. These fees would be generally non-recurring, however in some instances they may have a recurring component. We have received no fee income for managerial assistance to date.

To the extent possible, we will generally seek to invest in loans that are collateralized by a security interest in the borrower's assets or guaranteed by a principal to the transaction. Interest payments, if not deferred, are normally payable quarterly with most debt investments having scheduled principal payments on a monthly or quarterly basis. When we receive a warrant to purchase stock in a portfolio company, the warrant will typically have a nominal strike price, and will entitle us to purchase a modest percentage of the borrower's stock.

65 66

#### PORTFOLIO COMPOSITION AND INVESTMENT ACTIVITY

The total fair value of our investment portfolio was approximately **\$314.7** \$266.9 million and **\$420.8** \$314.7 million as of **December 31, 2022** December 31, 2023 and **December 31, 2021** December 31, 2022, respectively. The decrease in the value of investments during the year ended **December 31, 2022** December 31, 2023 was due primarily to repayments of principal of approximately \$15.8million and sales of securities totaling approximately \$19.6million, partially offset by a net change in unrealized depreciation/appreciation on our investment portfolio of approximately **\$105.9** \$7.1million (which incorporates reductions to CLO equity cost value of **\$20.4** \$15.3million), repayments of principal and sales of securities totaling approximately \$64.6 million, partially offset by purchases of investments of approximately **\$84.2** \$11.7 million. Refer to the table below, which reconciles the investment portfolio for the year ended **December 31, 2022** December 31, 2023 and the year ended **December 31, 2021** December 31, 2022.

A reconciliation of the investment portfolio for the years ended **December 31, 2022** December 31, 2023 and **2021** 2022 follows:

(\$ in millions)	December 31,		December December	
	2022	2021	31, 2023	31, 2022
Beginning investment portfolio	\$ 420.8	\$ 294.7	\$ 314.7	\$ 420.8
Portfolio investments acquired	84.2	178.9	11.7	84.2
Debt repayments	(50.0)	(24.3)	(15.8)	(50.0)

Sales of securities	(14.6)	(15.2)	(19.6)	(14.6)
Reductions to CLO equity cost value <sup>(1)</sup>	(20.4)	(37.5)	(15.3)	(20.4)
Accretion of discounts on investments <sup>(2)</sup>	0.9	0.7	1.1	0.9
Net change in unrealized (depreciation)/appreciation on investments	(105.9)	38.5		
Net realized loss on investments	(0.3)	(15.0)		
Net change in unrealized appreciation/(depreciation) on investments			7.1	(105.9)
Net realized losses on investments			(17.1)	(0.3)
Ending investment portfolio (2)	\$ 314.7	\$ 420.8	\$ 266.9	\$ 314.7

(1) For the year ended December 31, 2023, the reductions to CLO equity cost value of approximately \$15.3 million represented the distributions received, or entitled to be received, on our investments held in CLO equity subordinated and income notes of approximately \$32.0 million, plus the amortization of cost on our CLO fee notes of approximately \$123,000, less the effective yield interest income recognized on our CLO equity subordinated and income notes of approximately \$16.8 million. For the year ended December 31, 2022, the reductions to CLO equity cost value of approximately \$20.4 million represented the distributions received, or entitled to be received, on our investments held in CLO equity subordinated and income notes of approximately \$37.3 million, plus the amortization of cost on our CLO fee notes of approximately \$128,000, less the effective yield interest income recognized on our CLO equity subordinated and income notes of approximately \$17.1 million. For the year ended December 31, 2021, the reductions to CLO equity cost value of approximately \$11.7 million represented the distributions received, or entitled to be received, on our investments held in CLO equity subordinated and income notes of approximately \$37.5 million, plus the amortization of cost on our CLO fee notes of approximately \$351,000, less the effective yield interest income recognized on our CLO equity subordinated and income notes of approximately \$18.7 million.

(2) Totals may not sum due to rounding.

During the year ended December 31, 2021 December 31, 2023, the reductions to CLO equity cost value we purchased approximately \$11.7 million in portfolio investments, including additional investments of approximately \$37.5 \$3.5 million represented the distributions received, or entitled to be received, on our investments held in CLO equity subordinated existing portfolio companies and income notes of approximately \$55.8 \$8.2 million plus the amortization of cost on our CLO fee notes of approximately \$351,000, less the effective yield interest income recognized on our CLO equity subordinated and income notes of approximately \$18.7 million.

in new portfolio companies. During the year ended December 31, 2022, we purchased approximately \$84.2 million in portfolio investments, including additional investments of approximately \$58.9 million in existing portfolio companies and approximately \$25.3 million in new portfolio companies. During the year ended December 31, 2021, we purchased approximately \$178.9 million in portfolio investments, including additional investments of approximately \$65.4 million in existing portfolio companies and approximately \$113.5 million in new portfolio companies.

In certain instances, we receive payments based on scheduled amortization of the outstanding balances. In addition, we receive principal repayments of some of our investments prior to their scheduled maturity date. The frequency or volume of these repayments may fluctuate significantly from period to period.

For the years ended December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, we had loan principal repayments of approximately \$50.0 \$15.8 million and approximately \$24.3 \$50.0 million, respectively. The repayments during the year ended December 31, 2022 December 31, 2023 were as follows (\$ in millions):

Portfolio Company	2022	
	Repayments	
Keystone Acquisition Corp.	\$ 20.2	
Quest Software, Inc.	18.2	
Amerilife Group, LLC	10.8	
Net all others	0.7	
Total repayments <sup>(1)</sup>	\$ 50.0	

(1) Totals may not sum due to rounding.

Portfolio Company	2023	
	Repayments	
OMNIA Partners, Inc.	\$ 13.8	
Affinion Insurance Solutions, Inc. (f/k/a AIS Intermediate, LLC)	0.7	
Net all others	1.3	

Total repayments	\$ <u>15.8</u>
	66 67

Portfolio activity also reflects sales of securities in the amounts of approximately \$14.6 \$19.6 million and approximately \$15.2 \$14.6 million for the years ended December 31, 2022 December 31, 2023 and 2021, 2022, respectively. The sales during the year ended December 31, 2022 December 31, 2023 were as follows (\$ in millions):

Portfolio Company	2022	
	Sales	
Carlyle Global Market Strategies CLO 2021-6, Ltd.	\$ 9.5	
Octagon Investment Partners 45, Ltd.	3.4	
Dryden 43 Senior Loan Fund	1.8	
Total sales <sup>(1)</sup>	<u>\$ 14.6</u>	

Portfolio Company	2023	
	Sales	
Spectrum Holdings III Corp. (f/k/a KPEX Holdings, Inc.)	\$ 12.7	
PPM CLO 4, Ltd.	3.7	
Nassau 2019-I Ltd.	1.8	
Babson CLO Ltd. 2015-I	1.2	
Net all others	0.2	
Total sales	<u>\$ 19.6</u>	

(1) Totals may not sum due As of December 31, 2023, we had investments in debt securities of, or loans to, rounding.

19 portfolio companies, with a fair value of approximately \$179.5 million, and CLO equity investments of approximately \$82.2 million. As of December 31, 2022, we had investments in debt securities of, or loans to, 20 portfolio companies, with a fair value of approximately \$211.4 million, and CLO equity investments of approximately \$98.9 million. As of December 31, 2021, we had investments in debt securities of, or loans to, 20 portfolio companies, with a fair value of approximately \$264.5 million, and CLO equity investments of approximately \$155.6 million.

The following table indicates the quarterly portfolio investment activity for the years ended December 31, 2022 December 31, 2023 and 2021: 2022:

(\$ in millions)	Purchases of Investments	Repayments of Principal	Sales of Investments	CLO Equity Cost <sup>(1)</sup>	Reductions to			
					Purchases of Investments	Repayments of Principal	Sales of Investments	CLO Equity Cost <sup>(1)</sup>
Quarter ended					Purchases of Investments	Repayments of Principal	Sales of Investments	CLO Equity Cost <sup>(1)</sup>
December 31, 2023					\$ 3.5	\$ 0.8	\$ 3.7	\$ 2.8
September 30, 2023					—	14.2	1.9	5.1
June 30, 2023					—	0.4	13.9	4.4
March 31, 2023					8.2	0.3	—	3.0
Total <sup>(2)</sup>					\$ 11.7	\$ 15.8	\$ 19.6	\$ 15.3
December 31, 2022	\$ 6.1	\$ 0.2	—	\$ 2.3	\$ 6.1	\$ 0.2	—	\$ 2.3
September 30, 2022	3.9	11.0	1.8	3.9	3.9	11.0	1.8	3.9

June 30, 2022	26.9	0.2	9.5	6.4	26.9	0.2	9.5	6.4
March 31, 2022	47.4	38.6	3.4	7.8	47.4	38.6	3.4	7.8
Total <sup>(2)</sup>	\$ 84.2	\$ 50.0	\$ 14.6	\$ 20.4	\$ 84.2	\$ 50.0	\$ 14.6	\$ 20.4
December 31, 2021	\$ 23.3	\$ 1.6	\$ 10.3	\$ 7.4				
September 30, 2021	23.1	5.7	—	8.6				
June 30, 2021	99.5	0.6	3.0	15.5				
March 31, 2021	32.9	16.4	1.8	6.0				
Total <sup>(2)</sup>	\$ 178.9	\$ 24.3	\$ 15.2	\$ 37.5				

(1) Represents reductions to CLO equity cost value (representing distributions received, or entitled to be received, in excess of effective yield interest income and amortized cost adjusted CLO fee note income).

(2) Totals may not sum due to rounding.

The following table shows the fair value of our portfolio of investments by asset class as of December 31, 2022 December 31, 2023 and 2021; 2022:

(\$ in millions)	December 31, 2022		December 31, 2021		December 31, 2023		December 31, 2022	
					Percentage		Percentage	
	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	Percentage of Total Portfolio	Investments at Fair Value	of Total Portfolio	Investments at Fair Value	of Total Portfolio
Senior Secured Notes	\$ 211.4	67.2%	\$ 264.5	62.8%	\$ 179.5	67.2%	\$ 211.4	67.2%
CLO Equity	98.9	31.4%	155.6	37.0%	82.2	30.8%	98.9	31.4%
Equity and Other Investments	4.3	1.4%	0.8	0.2%	5.3	2.0%	4.3	1.4%
Total <sup>(1)</sup>	\$ 314.7	100.0%	\$ 420.8	100.0%	\$ 266.9	100.0%	\$ 314.7	100.0%

(1) Totals may not sum due to rounding.

Qualifying assets must represent at least 70% of the Company's total assets at the time of acquisition of any additional non-qualifying assets. As of December 31, 2022 December 31, 2023 and 2021; 2022, we held qualifying assets that represented 70.1% 70.6% and 64.1% 70.1%, respectively, of the total assets. No additional non-qualifying assets were acquired during the periods, if any, when qualifying assets were less than 70% of the total assets.

67 68

The following table shows our portfolio of investments by industry at fair value, in millions, as of December 31, 2022 December 31, 2023 and 2021; 2022:

	December 31, 2022		December 31, 2021		December 31, 2023		December 31, 2022	
					Investments Percentage		Investments Percentage	
	Investments at Fair Value	Percentage of Fair Value	Investments at Fair Value	Percentage of Fair Value	at Fair Value	of Fair Value	at Fair Value	of Fair Value
	(\$ in millions)		(\$ in millions)		(\$ in millions)		(\$ in millions)	
Structured finance <sup>(1)</sup>	\$ 98.9	31.4%	\$ 155.6	36.9%	\$ 82.2	30.8%	\$ 98.9	31.4%
Software	69.0	21.9%	50.9	12.1%	66.0	24.7%	69.0	21.9%
Business services	53.4	17.0%	88.7	21.0%	43.0	16.1%	53.4	17.0%
Healthcare	33.6	10.7%	63.0	15.0%	28.4	10.7%	33.6	10.7%
Telecommunication services	22.2	7.1%	15.8	3.8%	20.9	7.8%	22.2	7.0%
Diversified insurance	14.7	4.7%	25.9	6.2%	13.9	5.2%	14.7	4.7%
Plastics Manufacturing	11.7	3.7%	12.7	3.0%				
Utilities	6.8	2.2%	7.5	1.8%	7.2	2.7%	6.8	2.2%

IT consulting	4.3	1.4%	0.8	0.2%	5.3	2.0%	4.3	1.4%
Plastics manufacturing					—	—%	11.7	3.7%
Total <sup>(2)</sup>	\$ 314.7	100.0%	\$ 420.8	100.0%	\$ 266.9	100.0%	\$ 314.7	100.0%

(1) Reflects our equity investments in CLOs as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, respectively.

(2) Totals may not sum due to rounding.

The following tables present the top ten industries (based upon Moody's industry classifications) of the aggregate holdings of the CLOs included in our portfolio, based on par value, as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022.

Top Ten Industries	December 31, 2023
High tech industries	11.3%
Healthcare & pharmaceuticals	10.1%
Banking, finance, insurance & real estate	9.9%
Business services	9.4%
Media: broadcasting & subscription	5.6%
Telecommunications	4.9%
Hotels, gaming & leisure	4.4%
Chemicals, plastics & rubber	3.9%
Beverage, food & tobacco	3.7%
Construction & building	3.5%
Total	66.7%

Top Ten Industries	December 31, 2022
High Tech Industries tech industries	10.1%
Healthcare & Pharmaceuticals pharmaceuticals	9.8%
Banking, Finance, Insurance finance, insurance & Real Estate real estate	9.6%
Business Services services	8.8%
Media: Broadcasting broadcasting & Subscription subscription	5.0%
Telecommunications	4.8%
Hotels, Gaming gaming & Leisure leisure	4.7%
Chemicals, Plastics plastics & Rubber rubber	4.5%
Beverage, Food food & Tobacco tobacco	3.7%
Construction & Building building	3.6%
Total	64.6%

Top Ten Industries	December 31, 2021
Healthcare & Pharmaceuticals	9.9%
Banking, Finance, Insurance & Real Estate	9.7%
High Tech Industries	9.5%
Business Services	8.4%
Hotels, Gaming & Leisure	5.2%
Media: Broadcasting & Subscription	5.0%
Telecommunications	4.6%

Chemicals, Plastics & Rubber	4.1%
Beverage, Food & Tobacco	3.8%
Construction & Building	3.6%
<b>Total</b>	<b>63.8%</b>

68.69

## PORTFOLIO GRADING

We have adopted a credit grading system to monitor the quality of our debt investment portfolio. Equity securities are not graded. As of **December 31, 2022**, **December 31, 2023** and **2021, 2022**, our portfolio had a weighted average grade of **2.2**, **2.3** and **2.1**, **2.2**, respectively, based upon the fair value of the debt investments in the portfolio.

At **December 31, 2022**, **December 31, 2023** and **2021, 2022**, our debt investment portfolio was graded as follows:

Grade	Summary Description	December 31, 2022			
		Principal Value	Percentage of Debt Portfolio	Portfolio at Fair Value	Percentage of Debt Portfolio
1	Company is ahead of expectations and/or outperforming financial covenant requirements of the specific tranche and such trend is expected to continue.	\$ —	—%	\$ —	—%
2	Full repayment of the outstanding amount of OXSQ's cost basis and interest is expected for the specific tranche.	230.1	74.9%	180.0	85.1%
3	Closer monitoring is required. Full repayment of the outstanding amount of OXSQ's cost basis and interest is expected for the specific tranche.	48.9	15.9%	31.3	14.8%
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.	—	—%	—	—%
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	28.2	9.2%	0.2	0.1%
<b>Total<sup>(1)</sup></b>		<b>\$ 307.2</b>	<b>100.0%</b>	<b>\$ 211.4</b>	<b>100.0%</b>

(1) Totals may not sum due to rounding.

Grade	Summary Description	December 31, 2021			
		Principal Value	Percentage of Debt Portfolio	Portfolio at Fair Value	Percentage of Debt Portfolio
1	Company is ahead of expectations and/or outperforming financial covenant requirements of the specific tranche and such trend is expected to continue.	\$ —	—%	\$ —	—%
2	Full repayment of the outstanding amount of OXSQ's cost basis and interest is expected for the specific tranche.	256.3	86.1%	249.2	94.2%
3	Closer monitoring is required. Full repayment of the outstanding amount of OXSQ's cost basis and interest is expected for the specific tranche.	14.7	4.9%	13.9	5.3%
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.	—	—%	—	—%

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.	26.9	9.0%	1.3	0.5%
Total <sup>(1)</sup>		\$ 297.8	100.0%	\$ 264.5	100.0%

Grade	Summary Description	December 31, 2023			
		Principal Value	Percentage of Debt Portfolio	Portfolio at Fair Value	Percentage of Debt Portfolio
1	Company is ahead of expectations and/or outperforming financial covenant requirements of the specific tranche and such trend is expected to continue.	\$ —	—%	\$ —	—%
2	Full repayment of the outstanding amount of OXSQ's cost basis and interest is expected for the specific tranche.	175.5	60.4%	134.5	74.9%
3	Closer monitoring is required. Full repayment of the outstanding amount of OXSQ's cost basis and interest is expected for the specific tranche.	72.3	24.8%	43.3	24.1%
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.	—	—%	—	—%
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	42.9	14.8%	1.7	1.0%
Total		\$ 290.7	100.0%	\$ 179.5	100.0%

Grade	Summary Description	December 31, 2022			
		Principal Value	Percentage of Debt Portfolio	Portfolio at Fair Value	Percentage of Debt Portfolio
1	Company is ahead of expectations and/or outperforming financial covenant requirements of the specific tranche and such trend is expected to continue.	\$ —	—%	\$ —	—%
2	Full repayment of the outstanding amount of OXSQ's cost basis and interest is expected for the specific tranche.	230.1	74.9%	180.0	85.1%
3	Closer monitoring is required. Full repayment of the outstanding amount of OXSQ's cost basis and interest is expected for the specific tranche.	48.9	15.9%	31.3	14.8%
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.	—	—%	—	—%
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.	28.2	9.2%	0.2	0.1%
Total <sup>(1)</sup>		\$ 307.2	100.0%	\$ 211.4	100.0%

(1) Totals may not sum due to rounding.

We expect that a portion of our investments will be in the Grades 3, 4 or 5 categories from time to time, and, as such, we will be required to work with troubled portfolio companies to improve their business and protect our investment. The number and amount of investments included in Grade 3, 4 or 5 may

fluctuate from year to year.

69 70

## RESULTS OF OPERATIONS

Set forth below is a comparison of our results of operations for the years ended December 31, 2022 December 31, 2023 and 2021 2022. For information regarding results of operations for the year ended December 31, 2020 December 31, 2021, refer to Part II Item 7 in our Form 10-K for the year ended December 31, 2021 December 31, 2022, as filed with the SEC on March 7, 2022 March 23, 2023, which is incorporated by reference herein.

### Investment Income

The following table sets forth the components of investment income for the years ended December 31, 2022 December 31, 2023 and 2021 2022:

	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
<b>Interest Income</b>				
Stated interest income	\$ 23,954,078	\$ 16,142,294	\$ 32,434,732	\$ 23,954,078
Original issue discount and market discount income	880,671	740,731	1,094,874	880,671
Discount income derived from unscheduled remittances at par	399,566	557,204	62,560	399,566
Total interest income	25,234,315	17,440,229	33,592,166	25,234,315
<b>Income from securitization vehicles and investments</b>				
	17,093,203	18,691,631	16,796,699	17,093,203
<b>Other income</b>				
Fee letters	544,267	405,010	649,260	544,267
Loan prepayment and bond call fees	—	300,000		
All other fees	246,327	338,143		
Money market fund income and all other fees			786,056	246,327
Total other income	790,594	1,043,153	1,435,316	790,594
<b>Total investment income</b>	<b>\$ 43,118,112</b>	<b>\$ 37,175,013</b>	<b>\$ 51,824,181</b>	<b>\$ 43,118,112</b>

The increase in total investment income of approximately \$8.7million for the year ended December 31, 2022 compared to December 31, 2023 over the year ended December 31, 2021 December 31, 2022 was largely due to an increase of stated interest income from our debt investments (approximately \$7.8 \$8.5 million) resulting from higher weighted average yields in 2022 2023 compared to 2021 2022. That increase was partially offset by decreased income from our securitization vehicles and investments due to lower weighted decreased total average effective yields cost basis of CLOs held compared to the prior year and decreased discount income derived from unscheduled remittances at par.

The total principal outstanding on income producing debt investments as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022 was approximately \$247.7 million and \$279.0 million, respectively. As of December 31, 2023, our debt investments had stated interest rates of between 9.22% and \$297.8 million, respectively. 16.00% and maturity dates of between 0 and 74 months. As of December 31, 2022, our debt investments had stated interest rates of between 7.63% and 14.24% and maturity dates of between 1 and 86 months. As of December 31, 2021, our debt investments had stated interest rates of between 3.85% and 10.50% and maturity dates of between 3 and 91 months. In addition, our total portfolio had a weighted average yield on debt investments of approximately 11.85% 13.30% as of December 31, 2022 December 31, 2023, compared to a weighted average yield on debt investments of 7.70% 11.85% as of December 31, 2021 December 31, 2022.

70 71

### Operating Expenses

The following table sets forth the components of operating expenses for the years ended December 31, 2022 December 31, 2023 and 2021 2022:

	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
Interest expense	\$ 12,354,392	\$ 10,495,897	\$ 10,825,877	\$ 12,354,392

Base Fee	5,903,986	6,287,173	4,613,664	5,903,986
Net Investment Income Incentive Fees			3,705,387	—
Professional fees	1,393,116	1,910,390	1,426,098	1,393,116
Excise Tax			1,423,686	252,172
Compensation expense	915,583	723,931	825,226	915,583
General and administrative	835,912	521,541	638,350	583,740
Director's fees	417,500	490,500	429,500	417,500
Insurance	378,804	422,805	329,892	378,804
Transfer agent and custodian fees	231,241	222,581	246,562	231,241
Net Investment Income Incentive Fees	—	—	—	—
Total operating expenses	\$ 22,430,534	\$ 21,074,818	\$ 24,464,242	\$ 22,430,534

Total operating expenses for the year ended December 31, 2022 December 31, 2023 increased by approximately \$1.4 \$2.0 million compared to the year ended December 31, 2021 December 31, 2022. The increase in 2022 2023 is attributable primarily to higher interest expense, Net Investment Income Incentive Fees and excise tax, partially offset by lower interest expense and Base Fees and professional fees. Fee.

Interest expense increased decreased by approximately \$1.9 \$1.5 million in 2022 2023 compared to 2021, 2022. The increase decrease in 2022 2023 was due to interest expense recognized for the full year ended December 31, 2022 on payoff of the 5.50% 6.50% Unsecured Notes compared with interest expense recognized for a partial year for the year ended December 31, 2021, as those notes were issued on May 20, 2021. Notes. The aggregate accrued interest which remained payable as of December 31, 2022 December 31, 2023 and 2021 2022 was approximately \$1.2 million.

The Base Fee decreased by approximately \$383,000 \$1.3 million in 2022 2023 compared to 2021 2022 due to lower average adjusted gross assets in 2022, 2023. The Base Fee which remained payable to Oxford Square Management as of December 31, 2022 December 31, 2023 and 2021 2022 was approximately \$1.0 million and \$1.3 million, and \$1.7 million, respectively.

Professional fees, largely consisting of legal, valuation, consulting, audit and tax fees decreased by approximately \$517,000 in 2022 compared to 2021 primarily due to decreased legal fees.

Compensation expense was approximately \$825,000 for the year ended December 31, 2023, compared to approximately \$916,000 for the year ended December 31, 2022, compared to approximately \$724,000 for the year ended December 31, 2021, reflecting the allocation of compensation expenses for the services of our Chief Financial Officer, accounting personnel, and other administrative support staff. As of December 31, 2023, there was no compensation expense payable. As of December 31, 2022, approximately \$31,000 in compensation expenses remained payable. As of December 31, 2021, no compensation expenses remained payable.

General and administrative expenses, which consist primarily of listing fees, office supplies, facilities costs and other miscellaneous expenses, increased by approximately \$314,000 in 2022 compared to 2021. That increase was primarily driven by approximately \$252,000 of excise tax attributable to the tax year ended December 31, 2021, which was expensed and paid during \$55,000 for the year ended December 31, 2022. December 31, 2023 compared to the year ended December 31, 2022. Office supplies, facilities costs and other expenses are allocated to us under the terms of the Administration Agreement.

The calculation of the Net Investment Income Incentive Fee had no change in 2022 Fees increased by approximately \$3.7 million for the year ended December 2023 compared to 2021, the year ended December 31, 2022. There was no Net Investment Income Incentive Fee in for the year ended December 31, 2022, nor in 2021, primarily as a result of the Net Investment Income Incentive Fee being reduced as the result of the Total Return Requirement. The Net Investment Income Incentive Fee is calculated and payable quarterly in arrears based on the amount by which (x) the "Pre-Incentive Fee Net Investment Income" for the immediately preceding calendar quarter exceeds (y) the "Preferred Return Amount" for the calendar quarter. For this purpose, "Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income accrued during the calendar quarter minus our operating expenses for the quarter (including the Base Fee, expenses payable under the Administration Agreement with Oxford Funds, and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Refer to "Note 7. Related Party Transactions" in the notes to our financial statements.

The expense attributable to the capital gains incentive fee, as reported under GAAP, is calculated as if the Company's entire portfolio had been liquidated at period end, and therefore is calculated on the basis of net realized and unrealized gains and losses at the end of each period. That expense (or the reversal of such an expense) related to that hypothetical liquidation of the portfolio (and assuming no other changes in realized or unrealized gains and losses) would

only become payable to our investment adviser in the event of a complete liquidation of our portfolio as of period end and the termination of the Investment Advisory Agreement on such date. For the years ended **December 31, 2022** **December 31, 2023** and **2021**, no accrual was required as a result of the impact of accumulated net unrealized depreciation and net realized losses on our portfolio.

The amount of the Capital Gains Incentive Fee which will actually be payable is determined in accordance with the terms of the Investment Advisory Agreement and is calculated as of the end of each calendar year (or upon termination of the Investment Advisory Agreement). The terms of the Investment Advisory Agreement state that the Capital Gains Incentive Fee calculation is based on net realized gains, if any, offset by gross unrealized depreciation for the calendar year. No effect is given to gross unrealized appreciation in this calculation.

#### Realized and Unrealized Gains/Losses on Investments

For the year ended **December 31, 2022** **December 31, 2023**, we recognized net realized losses on investments of approximately **\$340,000**, **\$17.1 million**, which primarily represents offsetting gains and losses from sales and repayments of multiple CLO equity investments.

For the year ended **December 31, 2022** **December 31, 2023**, our net change in unrealized depreciation appreciation was approximately **\$105.9** **\$7.1** million, composed of approximately **\$3.8** **\$16.6** million in gross unrealized appreciation, approximately **\$109.0** **\$28.7** million in gross unrealized depreciation and approximately **\$0.7** **\$19.2** million relating to the reversal of prior period net unrealized depreciation as investment gains and losses were realized. This includes net unrealized appreciation of approximately **\$20.4** **\$15.3** million resulting from reductions to the cost value of our CLO equity investments representing the difference between distributions received, or entitled to be received, on our investments held in CLO equity subordinated notes and fee notes, of approximately **\$37.3** **\$32.0** million and the effective yield interest income recognized on our CLO equity subordinated notes and the amortized cost adjusted income on our CLO equity fee notes of approximately **\$17.0** **\$16.7** million.

The components of the net change in unrealized depreciation appreciation/(depreciation) during the year ended **December 31, 2022** **December 31, 2023** were as follows (\$ in millions):

Portfolio Company	Changes in unrealized depreciation
ConvergeOne Holdings, Inc.	\$ (10.3)
Quest Software, Inc.	(8.3)
Sound Point CLO XVI, Ltd.	(7.6)
Octagon Investment Partners 49, Ltd.	(6.4)
RSA Security, LLC	(6.4)
Dodge Data & Analytics, LLC	(5.9)
Nassau 2019-I Ltd.	(5.5)
HealthChannels, Inc. (f/k/a ScribeAmerica, LLC)	(4.2)
Careismatic Brands, Inc. (f/k/a New Trojan Parent, Inc.)	(4.1)
Telos CLO 2014-5, Ltd.	(3.7)
Net all other	(43.4)
<b>Total<sup>(1)</sup></b>	<b>\$ (105.9)</b>

(1) Total may not sum due to rounding.

Portfolio Company	Changes in Unrealized Appreciation/ (Depreciation)
Nassau 2019-I Ltd.	\$ 9.4
Telos CLO 2013-4, Ltd.	4.9
THL Credit Wind River 2012-1 CLO, Ltd.	2.9
Carlyle Global Market Strategies CLO 2021-6, Ltd.	2.7

Global Tel Link Corp.	2.2
Alvaria, Inc. (f/k/a Aspect Software, Inc.)	(3.2)
Dodge Data & Analytics, LLC	(3.3)
ConvergeOne Holdings, Inc.	(3.5)
Careismatic Brands, Inc. (f/k/a New Trojan Parent, Inc.)	(6.2)
Magenta Buyer, LLC (f/k/a McAfee Enterprise)	(6.3)
Net all other	7.5
<b>Total</b>	<b>\$ 7.1</b>

For the year ended December 31, 2021, December 31, 2022, we recognized net realized losses on investments of approximately \$15.0 million, \$340,000, which primarily represents the extinguishment offsetting gains and losses from sales and repayments of a debt investment which was previously on non-accrual status, multiple CLO equity investments.

For the year ended December 31, 2021, December 31, 2022, our net change in unrealized appreciation/depreciation was approximately \$38.5 \$105.9 million, composed of approximately \$40.0 \$3.8 million in gross unrealized appreciation, approximately \$20.4 \$109.0 million in gross unrealized depreciation and approximately \$18.9 \$0.7 million relating to the reversal of prior

72

period net unrealized depreciation as investment gains and losses were realized. This includes net unrealized

73

appreciation of approximately \$37.5 \$20.4 million resulting from reductions to the cost value of our CLO equity investments representing the difference between distributions received, or entitled to be received, on our investments held in CLO equity subordinated notes and fee notes, of approximately \$55.8 \$37.3 million and the effective yield interest income recognized on our CLO equity subordinated notes and the amortized cost adjusted income on our CLO equity fee notes of approximately \$18.3 \$17.0 million.

The components of the net change in unrealized appreciation/depreciation during the year ended December 31, 2021, December 31, 2022 were as follows (\$ in millions):

Portfolio Company	Changes in unrealized appreciation/ (depreciation)
Imagine! Print Solutions, Inc.	\$ 13.4
Sound Point CLO XVI, Ltd.	7.4
Vibrant CLO V, Ltd.	5.8
Global Tel Link Corp.	4.0
Telos CLO 2014-5, Ltd.	3.7
Cedar Funding II CLO, Ltd.	3.0
Zais CLO 6, Ltd.	2.1
Nassau 2019-I Ltd.	2.0
Carlyle Global Market Strategies CLO 2021-6, Ltd.	(2.4)
Premiere Global Services, Inc.	(14.6)
Net all other	13.9
<b>Total<sup>(1)</sup></b>	<b>\$ 38.5</b>

Portfolio Company	Changes in Unrealized Depreciation
ConvergeOne Holdings, Inc.	\$ (10.3)
Quest Software, Inc.	(8.3)
Sound Point CLO XVI, Ltd.	(7.6)
Octagon Investment Partners 49, Ltd.	(6.4)
RSA Security, LLC	(6.4)
Dodge Data & Analytics, LLC	(5.9)
Nassau 2019-I Ltd.	(5.5)
HealthChannels, Inc. (f/k/a ScribeAmerica, LLC)	(4.2)
Careismatic Brands, Inc. (f/k/a New Trojan Parent, Inc.)	(4.1)
Telos CLO 2014-5, Ltd.	(3.7)
Net all other	(43.4)
<b>Total<sup>(1)</sup></b>	<b>\$ (105.9)</b>

(1) Totals may not sum due to rounding.

#### Net Increase in Net Assets Resulting from Net Investment Income

Net investment income for the year ended December 31, 2022 December 31, 2023 was approximately \$20.7 \$27.4 million, compared to \$16.1 \$20.7 million for the year ended December 31, 2021 December 31, 2022. The change was primarily the result of higher investment income, partially offset by an increase in operating expenses, as discussed above. For the year ended December 31, 2022 December 31, 2023, the net increase in net assets resulting from net investment income per common share was \$0.42 \$0.51 (basic and diluted), compared to \$0.32 \$0.42 (basic and diluted) for the year ended December 31, 2021 December 31, 2022, based on the weighted average common shares outstanding for the respective period periods.

#### Net Decrease/Increase in Net Assets Resulting from Operations

Net decrease/increase in net assets resulting from operations for the year ended December 31, 2022 December 31, 2023 was approximately \$85.6 \$17.2 million, compared to a net increase/decrease of \$39.6 \$85.6 million for year ended December 31, 2021 December 31, 2022. These changes were The change year over year was largely due to approximately \$7.1million of net change in unrealized appreciation recognized in the year ended December 31, 2023, compared to approximately \$105.9million of net change in unrealized depreciation recognized in the year ended December 31, 2022, as discussed above. For the year ended December 31, 2022 December 31, 2023, the net decrease/increase in net assets resulting from operations per common share was \$1.72 \$0.32 (basic and diluted), compared to a net increase/decrease in net assets per common share of \$0.80 \$1.72 (basic and diluted) for the year ended December 31, 2021 December 31, 2022, based on the weighted average common shares outstanding for the respective periods.

#### LIQUIDITY AND CAPITAL RESOURCES

During the year ended December 31, 2022 December 31, 2023, cash and cash equivalents increased/decreased from \$9,015,700 approximately \$9.0million at the beginning of the period to \$9,019,164 approximately \$5.7million at the end of the period. Net cash used in provided by operating activities for the year ended December 31, 2022 December 31, 2023, consisting primarily of the items described in "— Results of Operations," was approximately \$20.4 \$65.7 million, largely reflecting purchases of new investments of approximately \$84.2 million, partially offset by repayments of principal of approximately \$50.0 \$15.8 million, and proceeds from the sale of investments of approximately \$14.6 \$19.6 million and reductions to CLO equity cost value of approximately \$15.3million, partially offset by purchases of new investments of approximately \$11.7million. During the year ended December 31, 2022 December 31, 2023, net cash used in by financing activities was approximately \$20.4 \$69.0 million, reflecting the payment of distributions. distributions of approximately \$28.6million and full

73 74

principal repayment of the 6.50% Unsecured Notes of approximately \$64.4million, partially offset by proceeds from issuance of common stock from our ATM program and rights offering (net of underwriting fees and offering costs) of approximately \$24.0million.

## Contractual Obligations

We have certain obligations with respect to the investment advisory and administration services we receive. Refer to “— Overview”. We incurred approximately \$5.9 million for the Base Fee, approximately \$3.7 million for Net Investment Income Incentive Fees and approximately \$2.1 million for administrative services for the year ended December 31, 2022. There were no Net Investment Income Incentive Fees incurred during the year ended December 31, 2022 December 31, 2023. Refer to “Note 7. Related Party Transactions” in the notes to our financial statements.

A summary of our significant contractual payment obligations is as follows as of December 31, 2022 December 31, 2023. Refer to “Note 5. Borrowings” in the notes to our financial statements.

Contractual obligations (in millions)	Principal Amount	Payments Due by Period				
		Less than 1 year		1 – 3 years	3 – 5 years	More than 5 years
		1 year	3 years	5 years	5 years	
Long-term debt obligations:						
6.50% Unsecured Notes	\$ 64.4	\$ —	\$ 64.4	\$ —	\$ —	—
6.25% Unsecured Notes	44.8	—	—	44.8	—	—
5.50% Unsecured Notes	80.5	—	—	—	80.5	—
	<u>\$ 189.7</u>	<u>\$ —</u>	<u>\$ 64.4</u>	<u>\$ 44.8</u>	<u>\$ 80.5</u>	

## Off-Balance Sheet Arrangements

On October 18, 2019, we entered into a \$10 million repurchase transaction facility (the “Repo Facility”) with Nomura Securities International, Inc. (“Nomura”). Pursuant to the Master Repurchase Agreement (“MRA”) and a transaction facility confirmation, the Company may sell securities to Nomura from time to time with a corresponding repurchase obligation at an agreed-upon price 30 to 60 days after the sale date (“Reverse Repo”). The Repo Facility had a funding cost of 1-month LIBOR plus 2.05% per annum for each Reverse Repo transaction and was subject to a facility fee of 0.85% per annum on the full \$10 million facility amount. The Company accounts for these Reverse Repo transactions as secured financings for financial reporting purposes in accordance with GAAP. As of December 31, 2022 and 2021, there was no outstanding principal, or securities sold under the Repo Facility, as the Repo Facility expired on October 18, 2020.

Contractual obligations (in millions)	Principal Amount	Payments Due by Period				
		Less than 1 year		1 – 3 years	3 – 5 years	More than 5 years
		1 year	3 years	5 years	5 years	
Long-term debt obligations:						
6.25% Unsecured Notes	\$ 44.8	\$ —	\$ 44.8	\$ —	\$ —	—
5.50% Unsecured Notes	80.5	—	—	80.5	—	—
	<u>\$ 125.3</u>	<u>\$ —</u>	<u>\$ 44.8</u>	<u>\$ 80.5</u>	<u>\$ —</u>	

## Share Issuance and Repurchase Programs

On August 1, 2019, August 22, 2023, we entered into an Amendment No. 1 to that certain Equity Distribution Agreement dated August 1, 2019 with Ladenburg Thalmann & Co. through which we offered may offer for sale, from time to time, up to \$150.0 million of the Company’s our common stock through an At-the-Market (“ATM”) offering. We did not sell any sold a total of 2,695,388 shares of common stock pursuant to the ATM program offering during the years year ended December 31, 2022 December 31, 2023. The total amount of capital raised net of underwriting fees and 2021 offering costs was approximately \$8.1 million during the year ended December 31, 2023.

## Rights Offering

On June 22, 2023, we completed a transferable rights offering, issuing approximately 6.5 million shares at a subscription price of \$2.66 per share. Total proceeds, net of underwriting and offering costs, were approximately \$16.0 million. Approximately 1.7 million shares were purchased in the rights offering by affiliates of Oxford Square Management.

## Borrowings

In accordance with the 1940 Act, with certain limited exceptions, we are only allowed to borrow amounts such that our asset coverage, as defined in the 1940 Act, is at least 150% immediately after such borrowing. As of December 31, 2023, our asset coverage for borrowed amounts was approximately 219%.

As of December 31, 2022, our asset coverage for borrowed amounts was approximately 171%. As of December 31, 2021, our asset coverage for borrowed amounts was approximately 227%.

The following are our outstanding principal amounts, carrying values and fair values of our borrowings as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022. The fair value of the 6.50% Unsecured Notes, 6.25% Unsecured Notes and 5.50% Unsecured Notes are based upon the closing price on the last day of the period. The 6.50% Unsecured Notes, 6.25% Unsecured Notes and 5.50% Unsecured Notes are listed on the NASDAQ Global Select Market (trading symbol "OXSQI", "OXSQZ" and "OXSQG", respectively).

(\$ in millions)	As of						As of					
	December 31, 2022			December 31, 2021			December 31, 2023			December 31, 2022		
	Principal Amount	Carrying Value	Fair Value									
6.50% Unsecured Notes	\$ 64.4	\$ 64.0	\$ 63.4	\$ 64.4	\$ 63.6	\$ 65.1	\$ —	\$ —	\$ —	\$ 64.4	\$ 64.0	\$ 63.4
6.25% Unsecured Notes	44.8	44.0	42.6	44.8	43.8	45.5	44.8	44.2	42.9	44.8	44.0	42.6
5.50% Unsecured Notes	80.5	78.3	70.0	80.5	78.0	80.7	80.5	78.7	72.5	80.5	78.3	70.0
Total (1)	\$ 189.7	\$ 186.3	\$ 176.0	\$ 189.7	\$ 185.4	\$ 191.3	\$ 125.3	\$ 123.0	\$ 115.4	\$ 189.7	\$ 186.3	\$ 176.0

(1) Totals may not sum due to rounding.

7475

The weighted average stated interest rate and weighted average maturity on all our debt outstanding as of December 31, 2022 December 31, 2023 were 6.02% 5.77% and 3.63.8 years, respectively, and as of December 31, 2021 December 31, 2022 were 6.02% and 4.63.6 years, respectively. The aggregate accrued interest which remained payable as of December 31, 2022 December 31, 2023 and 2021, 2022, was approximately \$1.2 million.

The tables below summarize the components of interest expense for the years ended December 31, 2022 December 31, 2023 and 2021, 2022:

(\$ in thousands)	Year Ended December 31, 2023				
	Amortization of Deferred				
	Stated Interest		Debt Issuance		
	Expense	Costs	Extinguishment	Total	
6.50% Unsecured Notes	\$ 2,765.0	\$ 215.3	\$ 190.4	\$ 3,170.6	
6.25% Unsecured Notes	2,799.4	233.2	—	3,032.6	
5.50% Unsecured Notes	4,427.5	385.5	—	4,813.0	
Total	\$ 9,991.9	\$ 834.0	\$ 190.4	\$ 11,016.2	

(\$ in thousands)	Year Ended December 31, 2022				
	Amortization of Deferred				
	Stated Interest		Debt Issuance		
	Expense	Costs	Extinguishment	Total	
6.50% Unsecured Notes	\$ 4,184.1	\$ 324.7	\$ 4,508.8		
6.25% Unsecured Notes	2,799.4	233.2	3,032.6		
5.50% Unsecured Notes	4,427.5	385.5	4,813.0		
Total	\$ 11,411.0	\$ 943.4	\$ 12,354.4		

Year Ended December 31, 2021				

(\$ in thousands)	Amortization of Deferred			Total	
	Stated		Debt Issuance		
	Interest	Costs			
	Expense	Costs			
6.50% Unsecured Notes	\$ 4,184.1	\$ 324.7	\$ 4,508.8		
6.25% Unsecured Notes	2,799.4	233.2	3,032.6		
5.50% Unsecured Notes	2,718.0	236.6	2,954.5		
<b>Total<sup>(1)</sup></b>	<b>\$ 9,701.5</b>	<b>\$ 794.4</b>	<b>\$ 10,495.9</b>		

(1) Totals may not sum due to rounding.

#### Distributions

In order to qualify for tax treatment as a RIC, we are required, under Subchapter M of the Code, to distribute at least 90% of our ordinary income and realized net short-term capital gains in excess of realized net long-term capital losses to our stockholders on an annual basis.

We may not be able to achieve operating results that will allow us to make distributions at a specific level or to increase the amount of these distributions from time to time. In addition, we may be limited in our ability to make distributions due to the asset coverage requirements applicable to us as a BDC under the 1940 Act. If we do not distribute a certain percentage of our income annually, we will suffer adverse tax consequences, including possible loss of favorable regulated investment company RIC tax treatment. We cannot assure stockholders that they will receive any distributions.

To the extent our taxable earnings fall below the total amount of our distributions for that fiscal year, a portion of those distributions may be deemed a return of capital to our stockholders. Thus, the source of a distribution to our stockholders may be the original capital invested by the stockholder rather than our taxable ordinary income or capital gains. Stockholders should read any written disclosure accompanying a distribution payment carefully and should not assume that the source of any distribution is taxable ordinary income or capital gains. The final determination of the nature of our distributions can only be made upon the filing of our tax return. We have until **October 15, 2023** **October 15, 2024** to file our U.S. federal income tax return for the year ended **December 31, 2022** **December 31, 2023**.

75 76

The following table reflects the cash distributions, including distributions reinvested, if any, per share that we have paid on our common stock since the beginning of the **2020** **2021** fiscal year through **2022** **2023**:

Date Declared	Record Date	Payment Date	Total Distributions	GAAP net Net investment Investment		GAAP net Net investment Investment		Distributions in excess of/ (less than)
				income	income	income	income	
<b>Fiscal 2023</b>								
August 3, 2023	December 15, 2023	December 29, 2023	\$ 0.035	\$ N/A	\$	N/A	\$	—
August 3, 2023	November 16, 2023	November 30, 2023	0.035			N/A		—
August 3, 2023	October 17, 2023	October 31, 2023	0.035			N/A		—
<b>Total (Fourth Quarter 2023)</b>			<b>0.105</b>		<b>0.13</b>		<b>(0.03)</b>	
August 3, 2023 <sup>(5)</sup>	September 15, 2023	September 29, 2023	\$ 0.120	\$ N/A	\$	N/A	\$	—
April 25, 2023	September 15, 2023	September 29, 2023	0.035			N/A		—
April 25, 2023	August 17, 2023	August 31, 2023	0.035			N/A		—
April 25, 2023	July 17, 2023	July 31, 2023	0.035			N/A		—
<b>Total (Third Quarter 2023)</b>			<b>0.225</b>		<b>0.11</b>		<b>0.12</b>	

March 16, 2023	June 16, 2023	June 30, 2023	\$ 0.035	\$ N/A	\$ —
March 16, 2023	May 17, 2023	May 31, 2023	0.035	N/A	—
March 16, 2023	April 14, 2023	April 28, 2023	0.035	N/A	—
<i>Total (Second Quarter 2023)</i>			<u>0.105</u>	<u>0.13</u>	<u>(0.03)</u>
October 20, 2022	March 17, 2023	March 31, 2023	\$ 0.035	\$ N/A	\$ —
October 20, 2022	February 14, 2023	February 28, 2023	0.035	N/A	—
October 20, 2022	January 17, 2023	January 31, 2023	0.035	N/A	—
<i>Total (First Quarter 2023)</i>			<u>0.105</u>	<u>0.13</u>	<u>(0.03)</u>
<i>Total (2023)</i>			<u>\$ 0.540<sup>(1)</sup></u>	<u>\$ 0.51<sup>(4)</sup></u>	<u>\$ 0.03<sup>(4)</sup></u>
<b>Fiscal 2022</b>					
July 21, 2022	December 16, 2022	December 30, 2022	\$ 0.035	\$ N/A	\$ —
July 21, 2022	November 16, 2022	November 30, 2022	0.035	N/A	—
July 21, 2022	October 17, 2022	October 31, 2022	0.035	N/A	—
<i>Total (Fourth Quarter 2022)</i>			<u>0.105</u>	<u>0.13</u>	<u>(0.03)</u>
April 21, 2022	September 16, 2022	September 30, 2022	\$ 0.035	\$ N/A	\$ —
April 21, 2022	August 17, 2022	August 31, 2022	0.035	N/A	—
April 21, 2022	July 15, 2022	July 29, 2022	0.035	N/A	—
<i>Total (Third Quarter 2022)</i>			<u>0.105</u>	<u>0.11</u>	<u>(0.01)</u>
March 1, 2022	June 16, 2022	June 30, 2022	\$ 0.035	\$ N/A	\$ —
March 1, 2022	May 17, 2022	May 31, 2022	0.035	N/A	—
March 1, 2022	April 15, 2022	April 29, 2022	0.035	N/A	—
<i>Total (Second Quarter 2022)</i>			<u>0.105</u>	<u>0.09</u>	<u>0.02</u>
October 22, 2021	March 17, 2022	March 31, 2022	\$ 0.035	\$ N/A	\$ —
October 22, 2021	February 14, 2022	February 28, 2022	0.035	N/A	—
October 22, 2021	January 17, 2022	January 31, 2022	0.035	N/A	—
<i>Total (First Quarter 2022)</i>			<u>0.105</u>	<u>0.09</u>	<u>0.02</u>
<i>Total (2022)</i>			<u>\$ 0.420<sup>(1) (2)</sup></u>	<u>\$ 0.42</u>	<u>\$ —</u>
<b>Fiscal 2021</b>					
July 22, 2021	December 17, 2021	December 31, 2021	\$ 0.035	\$ N/A	\$ —
July 22, 2021	November 16, 2021	November 30, 2021	0.035	N/A	—
July 22, 2021	October 15, 2021	October 29, 2021	0.035	N/A	—
<i>Total (Fourth Quarter 2021)</i>			<u>0.105</u>	<u>0.09</u>	<u>0.02</u>
April 22, 2021	September 16, 2021	September 30, 2021	\$ 0.035	\$ N/A	\$ —
April 22, 2021	August 17, 2021	August 31, 2021	0.035	N/A	—
April 22, 2021	July 16, 2021	July 30, 2021	0.035	N/A	—
<i>Total (Third Quarter 2021)</i>			<u>0.105</u>	<u>0.08</u>	<u>0.02</u>

February 23, 2021	June 16, 2021	June 30, 2021	\$ 0.035	\$ 0.035	N/A	\$ 0.035	—
February 23, 2021	May 14, 2021	May 28, 2021	0.035	0.035	N/A	0.035	—
February 23, 2021	April 16, 2021	April 30, 2021	0.035	0.035	N/A	0.035	—
<i>Total (Second Quarter 2021)</i>			<u>0.105</u>	<u>0.06</u>		<u>0.05</u>	
October 22, 2020	March 17, 2021	March 31, 2021	\$ 0.035	\$ 0.035	N/A	\$ 0.035	—
October 22, 2020	February 12, 2021	February 26, 2021	0.035	0.035	N/A	0.035	—
October 22, 2020	January 15, 2021	January 29, 2021	0.035	0.035	N/A	0.035	—
<i>Total (First Quarter 2021)</i>			<u>0.105</u>	<u>0.10</u>		<u>0.10</u>	
<i>Total (2021)</i>			<u>\$ 0.420<sup>(2)(3)</sup></u>	<u>\$ 0.32<sup>(4)</sup></u>		<u>\$ 0.10<sup>(4)</sup></u>	
<b>Fiscal 2020</b>							
September 11, 2020	December 16, 2020	December 31, 2020	\$ 0.035	\$ 0.035	N/A	\$ 0.035	—
September 11, 2020	November 13, 2020	November 30, 2020	0.035	0.035	N/A	0.035	—
September 11, 2020	October 16, 2020	October 30, 2020	0.035	0.035	N/A	0.035	—
<i>Total (Fourth Quarter 2020)</i>			<u>0.105</u>	<u>0.10</u>		<u>0.10</u>	
June 1, 2020	September 16, 2020	September 30, 2020	\$ 0.035	\$ 0.035	N/A	\$ 0.035	—
June 1, 2020	August 17, 2020	August 31, 2020	0.035	0.035	N/A	0.035	—
June 1, 2020	July 17, 2020	July 31, 2020	0.035	0.035	N/A	0.035	—
<i>Total (Third Quarter 2020)</i>			<u>0.105</u>	<u>0.09</u>		<u>0.01</u>	
February 24, 2020	June 15, 2020	June 30, 2020	\$ 0.067	\$ 0.067	N/A	\$ 0.067	—
February 24, 2020	May 14, 2020	May 29, 2020	0.067	0.067	N/A	0.067	—
February 24, 2020	April 15, 2020	April 30, 2020	0.067	0.067	N/A	0.067	—
<i>Total (Second Quarter 2020)</i>			<u>0.201</u>	<u>0.09</u>		<u>0.11</u>	
October 25, 2019	March 17, 2020	March 31, 2020	\$ 0.067	\$ 0.067	N/A	\$ 0.067	—
October 25, 2019	February 14, 2020	February 28, 2020	0.067	0.067	N/A	0.067	—
October 25, 2019	January 17, 2020	January 31, 2020	0.067	0.067	N/A	0.067	—
<i>Total (First Quarter 2020)</i>			<u>0.201</u>	<u>0.13</u>		<u>0.07</u>	
<i>Total (2020)</i>			<u>\$ 0.612<sup>(3)</sup></u>	<u>\$ 0.40<sup>(4)</sup></u>		<u>\$ 0.21<sup>(4)</sup></u>	

76 77

(1) The tax characterization of cash distributions for the year ended **December 31, 2022** December 31, 2023 will not be known until the tax return for such year is finalized. For the year ended **December 31, 2022** December 31, 2023, the amounts and sources of distributions reported are only estimates and are not being provided for U.S. tax reporting purposes. The final determination of the source of all distributions in **2022** 2023 will be made after year-end and the amounts represented may be materially different from the amounts disclosed in the final Form 1099-DIV notice. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Company's investment performance and may be subject to change based on tax regulations.

(2) Cash distributions for the year ended **December 31, 2021** December 31, 2022 represented 100% net investment income and therefore there was no tax return of capital.

(3) Cash distributions for the year ended **December 31, 2020** include a December 31, 2021 represented 100% net investment income and therefore there was no tax return of capital of approximately \$0.38 per share, capital.

(4) Totals may not sum due to rounding.

(5) Special distribution.

## RELATED PARTIES

We have a number of business relationships with affiliated or related parties, including the following:

- We have entered into the Investment Advisory Agreement with Oxford Square Management. Oxford Square Management is controlled by Oxford Funds, its managing member. In addition to Oxford Funds, Oxford Square Management is owned by Charles M. Royce, a member of our Board, who holds a minority, non-controlling interest in Oxford Square Management as the non-managing member. Oxford Funds, as the managing member of Oxford Square Management, manages the business and internal affairs of Oxford Square Management. In addition, Oxford Funds provides us with office facilities and administrative services pursuant to the Administration Agreement.
- Messrs. Cohen and Rosenthal also currently serve as Chief Executive Officer and President, respectively, at Oxford Gate Management, LLC, the investment adviser to the Oxford Gate Funds and Oxford Bridge II, LLC. Oxford Funds is the managing member of Oxford Gate Management, LLC. Management. In addition, Bruce L. Rubin serves as the Chief Financial Officer and Secretary, and Gerald Cummins serves as the Chief Compliance Officer, respectively, of Oxford Gate Management, LLC. Management.
- Messrs. Cohen and Rosenthal currently serve as Chief Executive Officer and President, respectively, of Oxford Lane Capital Corp., a non-diversified closed-end management investment company that invests primarily in equity and junior debt tranches of CLO vehicles, and its investment adviser, Oxford Lane Management, LLC. Management. Oxford Funds provides Oxford Lane Capital Corp. with office facilities and administrative services pursuant to an administration agreement and also serves as the managing member of Oxford Lane Management, LLC. Management. In addition, Bruce L. Rubin serves as the Chief Financial Officer, Treasurer and Corporate Secretary of Oxford Lane Capital Corp. and Chief Financial Officer and Treasurer of Oxford Lane Management, LLC, and Mr. Cummins serves as the Chief Compliance Officer of Oxford Lane Capital Corp. and Oxford Lane Management.
- Messrs. Cohen and Rosenthal currently serve as Chief Executive Officer and President, respectively, of Oxford Park Income Fund, Inc., a non-diversified closed-end management investment company that invests primarily in equity and junior debt tranches of CLO vehicles, and its investment adviser, Oxford Park Management. Oxford Funds provides Oxford Park Income Fund, Inc. with office facilities and administrative services pursuant to an administration agreement and also serves as the managing member of Oxford Park Management. In addition, Bruce L. Rubin serves as the Chief Financial Officer, Treasurer and Corporate Secretary of Oxford Park Income Fund, Inc. and Chief Financial Officer and Treasurer of Oxford Park Management, LLC, and Mr. Cummins serves as the Chief Compliance Officer of Oxford Park Income Fund, Inc. and Oxford Park Management.

As a result, certain conflicts of interest may arise with respect to the management of our portfolio by Messrs. Cohen and Rosenthal on the one hand, and the obligations of Messrs. Cohen and Rosenthal to manage Oxford Lane Capital Corp., Oxford Park Income Fund, Inc., Oxford Bridge II, LLC and the Oxford Gate Funds, respectively, on the other hand.

Oxford Square Management, Oxford Lane Management, LLC Oxford Park Management and Oxford Gate Management LLC are subject to a written policy with respect to the allocation of investment opportunities among the Company, Oxford Lane Capital Corp., Oxford Park Income Fund, Inc., Oxford Bridge II, LLC and the Oxford

78

Gate Funds. Where investments are suitable for more than one entity, the allocation policy generally provides that, depending on size and subject to current and anticipated cash availability, the absolute size of the investment as well as its relative size compared to the total assets of each entity, current and anticipated weighted average costs of capital, among other factors, an investment amount will be determined by the adviser to each entity. If the investment opportunity is sufficient for each entity to receive its investment amount, then each entity receives the investment amount; otherwise, the investment amount is reduced pro rata. On June 14, 2017, the Securities and Exchange Commission issued an order the Order permitting the Company and certain of its affiliates to complete negotiated co-investment transactions in portfolio companies, subject to certain conditions (the "Order"). conditions. Subject to satisfaction of certain conditions to the Order, the Company and certain of its affiliates are now permitted, together with any future BDCs, registered closed-end funds and certain private funds, each of whose investment adviser is the Company's investment adviser or an investment adviser controlling, controlled by, or under common control with the Company's investment adviser, to co-invest in negotiated investment opportunities where doing so would otherwise be prohibited under the 1940 Act, providing

77

the Company's stockholders with access to a broader array of investment opportunities. Pursuant to the Order, we are permitted to co-invest in such investment opportunities with our affiliates if a "required majority" (as defined in Section 57(o) of the 1940 Act) of our independent directors make certain conclusions in connection with a co-investment transaction, including, but not limited to, that (1) the terms of the potential co-investment transaction, including the

consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned, and (2) the potential co-investment transaction is consistent with the interests of our stockholders and is consistent with our then-current investment objective and strategies.

In the ordinary course of business, we may enter into transactions with portfolio companies that may be considered related party transactions. In order to ensure that we do not engage in any prohibited transactions with any persons affiliated with us, we have implemented certain policies and procedures whereby our executive officers screen each of our transactions for any possible affiliations between the proposed portfolio investment, us, companies controlled by us and our employees and directors. We will not enter into any agreements unless and until we are satisfied that doing so will not raise concerns under the 1940 Act or, if such concerns exist, we have taken appropriate actions to seek board review and approval or exemptive relief for such transaction. Our Board reviews these procedures on an annual basis.

We have also adopted a Code of Business Conduct and Ethics which applies to our senior officers, including our Chief Executive Officer and Chief Financial Officer, as well as all of our officers, directors and employees. Our Code of Business Conduct and Ethics requires that all employees and directors avoid any conflict, or the appearance of a conflict, between an individual's personal interests and our interests. Pursuant to our Code of Business Conduct and Ethics, each employee and director must disclose any conflicts of interest, or actions or relationships that might give rise to a conflict. Our Audit Committee is charged with approving any waivers under our Code of Business Conduct and Ethics. As required by the NASDAQ Global Select Market corporate governance listing standards, the Audit Committee of our Board is also required to review and approve any transactions with related parties (as such term is defined in Item 404 of Regulation S-K).

Information concerning related party transactions is included in the financial statements and related notes, appearing elsewhere in this annual report on Form 10-K.

#### **CRITICAL ACCOUNTING POLICIES ESTIMATES**

The preparation of financial statements and related disclosures in conformity with generally accepted accounting principles in the United States ("GAAP") requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities, (ii) disclosure of contingent assets and liabilities at the date of the financial statements, and (iii) revenues and expenses during the periods reported. Our critical accounting estimates, including those relating to the valuation of our investment portfolio, are described below. Actual results could materially differ from those estimates. We have identified investment valuation and investment income. The critical accounting estimates should be read in conjunction with our risk factors as disclosed in "Item 1A. Risk Factors." See Note 2 to our financial statements for the year ended December 31, 2023 for more information on our critical accounting policies.

79

#### **Investment Valuation**

We fair value our investment portfolio in accordance with the provisions of ASC 820, *Fair Value Measurement and Disclosure* ("ASC 820") and Rule 2a-5 under the 1940 Act. Estimates made in the preparation of our financial statements include the valuation of investments and the related amounts of unrealized appreciation and depreciation of investments recorded. We believe that there is no single definitive method for determining fair value in good faith. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments we make.

ASC 820-10 clarifies the definition of fair value and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820-10 also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include:

- Level 1, defined as observable inputs such as quoted prices in active markets;
- Level 2, which includes inputs such as quoted prices for similar securities in active markets and quoted prices for identical securities in markets that are not active; and
- Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions.

We consider the attributes of current market conditions on an on-going basis and

78

have determined that due to the general illiquidity of the market for its our investment portfolio, whereby little or no market data exists, substantially all of our fair valued investments are measured based upon Level 3 inputs as of December 31, 2022 December 31, 2023 and 2021.

*Good Faith Determinations of Fair Value*, Rule 2a-5 under the 1940 Act ("Rule 2a-5") was adopted by the SEC in December 2020 and establishes requirements for determining fair value in good faith for purposes of the 1940 Act. Our Board of Directors has adopted valuation policies and procedures that are intended to comply with Rule 2a-5 December 31, 2022.

Our Board of Directors determines the value of our investment portfolio each quarter. In connection with that determination, members of Oxford Square Management's portfolio management team prepare a quarterly analysis of each portfolio investment using the most recent portfolio company financial statements, forecasts and other relevant financial and operational information. We may also engage a third-party valuation firms firm to provide assistance in valuing certain of its our syndicated loans and bilateral investments, including related equity investments, although our Board of Directors ultimately determines the appropriate valuation of each such investment. Changes in fair value, as described above, are recorded in the statements of operations as net change in unrealized appreciation/depreciation.

**Syndicated Loans (Including Senior Secured Notes)** Our corporate loan portfolio investments are valued using several valuation processes. The quantitative inputs and data points that determine which method to utilize to value any given investment include, but are not limited to:

In accordance with ASC 820-10 • , our valuation procedures specifically provide for Bid/offer prices;

- Depth, which is defined as the review number of indicative quotes supplied by the large agent banks securities firms that make a market in a respective corporate syndicated loan and contribute data on the corporate syndicated loan to market data providers;
- Liquidity score, which is a metric to help market participants ascertain their ability to exit a position within a given time frame and near a prevailing indicative price, which provides a benchmark of liquidity risk;
- Financial performance of the underlying portfolio company;
- Recent business developments;
- Covenant compliance; and
- Recent transactions.

80

In instances where secondary market data is limited, we may engage a third-party valuation firm to independently determine an estimate of fair value. Currently, we have a single company valued via a third-party valuation firm. This valuation method employs a waterfall method whereby the enterprise value ("EV") of the company is estimated based on company financial performance inputs, such as EBITDA, and publicly traded comparable company multiples. The EV is then attributed to each debt tranche, preferred equity tranche, and common equity, in order of seniority, to arrive at a valuation for each security. However, the marketplace from which we obtain indicative bid quotes for purposes of determining our holdings. Generally speaking, as estimated EV increases, the fair value of our syndicated loan investments has shown attributes of illiquidity as described by ASC-820-10. During such periods of illiquidity, when we believe that the non-binding indicative bids received from agent banks for certain syndicated investments that we own may not be determinative of their fair value or when no will also increase. As market indicative quote is available, we may engage third-party valuation firms to provide assistance in multiples and EBITDA increase, estimated EV will also increase.

In valuing certain syndicated investments that we own. The third-party valuation firms may use the income or market approach in arriving at a valuation. Unobservable inputs utilized could include discount rates derived from estimated credit spreads and earnings before interest, taxes, depreciation, and amortization multiples. In addition, Oxford Square Management analyzes each syndicated loan by reviewing the company's financial statements, covenant compliance and recent trading activity in the security (if known), and other business developments related to the portfolio company. All available information, including non-binding indicative bids which may not be determinative of fair value, is presented to the Valuation Committee to consider in its determination of fair value. In some instances, there may be limited trading activity in a security even though the market for the security is considered not active. In such cases the Valuation Committee will consider the number of trades, the size and timing of each trade, and other circumstances around such trades, to the extent such information is available, in its determination of fair value. The Valuation Committee will evaluate the impact of such additional information, and factor it into its consideration of the fair value that is indicated by the analysis provided by third-party valuation firms, if any.

#### ***Collateralized Loan Obligations — Debt and Equity***

We have acquired a number of our CLO debt and equity positions in CLO investment vehicles and CLO warehouse investments. These investments are special purpose financing vehicles. In valuing such investments, we consider the indicative prices provided by a recognized industry pricing service as a primary source, and the implied yield of such prices, supplemented by actual trades executed in the market at or around period-end, as well as the indicative prices provided by the broker brokers who arranges arrange transactions in such investment vehicles. We also consider those instances in which the record date for an equity distribution payment falls on the last day of the period, and the likelihood that a prospective purchaser would require a downward adjustment to the indicative price representing substantially all of the pending distribution. Additional factors include any available information on other relevant transactions including firm bids and offers in the market and information resulting from bids-wanted-in-competition. In addition, we consider the operating metrics of the specific investment vehicle, including compliance with collateralization tests, defaulted and restructured securities, and payment defaults, if any. We calculate the fair value of certain CLO equity investments based upon the net present value of expected contractual payment streams discounted using estimated market yields for the equity tranche of the respective CLO vehicle. Oxford Square Management or the Valuation Committee may request an additional analysis by a third-party firm to assist in the valuation process of CLO investment vehicles. All information is presented to our Board for its determination of fair value of these investments.

#### ***Bilateral Investments (Including Equity)***

Bilateral investments (as defined below) for which market quotations are readily available are valued by an independent pricing agent or market maker. If such market quotations are not readily available, under the valuation procedures approved by our Board upon the recommendation of the Valuation Committee, a third-party valuation firm will prepare valuations for each of our bilateral investments that, when combined with all other investments in the same portfolio company, have a value as of the previous quarter of greater than or equal to 2.0% of its total assets as of the previous quarter. In addition, in those instances where a third-party valuation is prepared for a portfolio investment which meets the parameters noted above, the frequency of those third-party valuations is based upon the grade assigned to each such security under its credit grading system as follows: Grade1, at least annually; Grade2, at least semi-annually; Grades3,4, and5, at least quarterly. Bilateral investments which do not meet the parameters above are not required to have a third-party valuation and, in those instances, a valuation analysis will be prepared by Oxford Square Management. Oxford Square Management also retains the authority to seek, on our behalf, additional third party valuations with respect to both our bilateral portfolio securities and our syndicated loan investments. Our Board retains ultimate authority as to the third-party review cycle as well as the appropriate valuation of each investment.

The term "Bilateral investments" means debt and equity investments directly negotiated between the Company and a portfolio company, but excludes syndicated loans (i.e., corporate loans arranged by an agent on behalf of a company, portions of which are held by multiple investors in addition to OXSQ).

Refer to "Note 3. Fair Value" in the notes to our financial statements for more information on investment valuation and our portfolio of investments.

#### **INVESTMENT INCOME:**

##### ***Interest Income***

Interest income is recorded on an accrual basis using the contractual rate applicable to each debt investment and includes the accretion of market discounts and/or OID and amortization of market premiums. Discounts from and premiums to par value on securities purchased are accreted/amortized into interest income over the life of the respective security using the effective yield method. The amortized cost of investments represents the original cost adjusted for the accretion of discounts and amortization of premiums, if any.

Generally, when interest and/or principal payments on a loan become past due, or if we otherwise do not expect the borrower to be able to service its debt and other obligations, we will place the loan on non-accrual status and will generally cease recognizing interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or due to restructuring such that the interest income is deemed to be collectible. We generally restore non-accrual loans to accrual status when past due principal and interest is paid and, in our judgment, is likely to remain current. As of December 31, 2022 and 2021, we had three debt investments that were on non-accrual status.

Interest income also includes a PIK component on certain investments in our portfolio. Refer to the section below, "Payment-In-Kind," for a description of PIK income and its impact on interest income.

##### ***Payment-In-Kind***

We have debt and preferred stock investments in our portfolio that contain contractual PIK provisions. PIK interest and preferred stock dividends are computed at their contractual rates and are accrued into income and added to the principal balances on the capitalization dates. Upon capitalization, the PIK portions of the investments are valued at their respective fair values. If we believe that a PIK is not fully expected to be realized, the PIK investment would be

placed on non-accrual status. When a PIK investment is placed on non-accrual status, the accrued, uncapitalized interest or dividends would be reversed from the related receivable through interest or dividend income, respectively. PIK investments on non-accrual status are restored to accrual status once it becomes probable that such PIK will be ultimately collectible in cash. For the years ended December 31, 2022 and 2021, no PIK preferred stock dividends were recognized as dividend income. For the years ended December 31, 2022 and 2021, no PIK interest was recognized as interest income.

#### **Income from Securitization Vehicles and Equity Investments**

Income from investments in the equity class securities of CLO vehicles (typically income notes or subordinated notes) is recorded using the effective yield method in accordance with the provisions of ASC 325-40, *Beneficial Interests in Securitized Financial Assets*, based upon estimated cash flows, amounts and timing including those CLO equity investments that have not made their inaugural distribution for the relevant period end. We monitor the expected residual payments, and effective yield is determined and updated periodically, as needed. Accordingly, investment income recognized on CLO equity securities in the GAAP statements of operations differs from both the tax-basis investment income and from the cash distributions actually received by us during the period.

We also record income on our investments in certain securitization vehicles (or "CLO warehouse facilities") based on a stated rate per the underlying note purchase agreement plus accrued interest or, if there is no stated rate, then an estimated rate is calculated using a base case model projecting the timing of the ramp-up of the CLO warehouse facility. As of December 31, 2022 and 2021, we had no investments in CLO warehouse facilities.

#### **Other Income**

Other income includes prepayment, amendment, and other fees earned by our loan investments, distributions from fee letters and success fees associated with portfolio investments. Distributions from fee letters are an enhancement to the return on a CLO equity investment and are based upon a percentage of the collateral manager's fees above the amortized cost, and are recorded as other income when earned. We may also earn success fees associated with our investments in certain securitization vehicles or CLO warehouse facilities, which are contingent upon a repayment of the warehouse by a permanent CLO structure; such fees are earned and recognized when the repayment is completed.

#### **Recently Issued Accounting Standards**

See "Note 15, 16. Recent Accounting Pronouncements" to our financial statements for a description of recent accounting pronouncements, including the impact on our financial statements.

#### **RECENT DEVELOPMENTS**

The following distributions payable to stockholders are shown below:

Date Declared	Record Dates	Payable Dates	Per Share Distribution	
				Amount Declared
October 20, 2022	January 17, 2023	January 31, 2023	\$	0.035
October 20, 2022	February 14, 2023	February 28, 2023	\$	0.035
October 20, 2022	March 17, 2023	March 31, 2023	\$	0.035
March 16, 2023	April 14, 2023	April 28, 2023	\$	0.035
March 16, 2023	May 17, 2023	May 31, 2023	\$	0.035
March 16, 2023	June 16, 2023	June 30, 2023	\$	0.035

Date Declared	Record Dates	Payable Dates	Per Share Distribution	
				Amount Declared
November 2, 2023	January 17, 2024	January 31, 2024	\$	0.035
November 2, 2023	February 15, 2024	February 29, 2024	\$	0.035
November 2, 2023	March 15, 2024	March 29, 2024	\$	0.035
March 14, 2024	April 16, 2024	April 30, 2024	\$	0.035
March 14, 2024	May 17, 2024	May 31, 2024	\$	0.035

#### Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates. As of December 31, 2022, December 31, 2023, all debt investments in our portfolio were at variable interest rates, representing approximately \$307.2 million in principal debt. As of December 31, 2022, all except three but four of our variable rate investments were income producing. The variable rates are generally based upon the five-year U.S. Department of Treasury note, the Prime rate, SOFR, or LIBOR, SOFR, and, in the case of our bilateral investments, are generally reset annually, whereas our non-bilateral investments generally reset quarterly. We expect that future debt investments will generally be made at variable rates. Many of the variable rate investments contain interest rate floors.

Interest rate risk is defined as the sensitivity of our current and future earnings to interest rate volatility, including relative changes in different interest rates, variability of spread relationships, the difference in re-pricing intervals between our assets and liabilities and the effect that interest rates may have on our cash flows. Changes

81

in the general level of interest rates can affect our net interest income, which is the difference between the interest income earned on interest earning assets and our interest expense incurred in connection with our interest-bearing debt and liabilities. Changes in interest rates can also affect, among other things, our ability to acquire leveraged loans, high yield bonds and other debt investments and the value of our investment portfolio.

81

We may in the future hedge against interest rate fluctuations by using standard hedging instruments such as futures, options and forward contracts. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in the benefits of lower interest rates with respect to the investments in our portfolio with fixed interest rates.

Based on our Statements of Assets and Liabilities as of December 31, 2022, December 31, 2023, the following table shows the annualized impact on net investment income of hypothetical base rate changes in interest rates for our settled investments (considering interest rate floors for floating rate instruments), excluding CLO equity investments. The base interest rate case assumes the rates on our portfolio investments remain unchanged from the actual effective interest rates as of December 31, 2022, December 31, 2023. These hypothetical calculations are based on a model of the investments in our portfolio, held as of December 31, 2022, December 31, 2023, and are only adjusted for assumed changes in the underlying base interest rates. Although management believes that this analysis is indicative of our existing interest rate sensitivity, it does not adjust for changes in the credit quality, size and composition of our portfolio, and other business developments, including a change in the level of our borrowings, that could affect the net increase (or decrease) in net assets resulting from operations. Accordingly, no assurances can be given that actual results would not differ materially from the results under this hypothetical analysis.

Hypothetical Change in LIBOR Floating Interest Rates	Estimated Percentage change in Investment	Income
Up 300 basis points	17.6	15.1%
Up 200 basis points	11.7	10.1%
Up 100 basis points	5.9	5.0%
Down 25 basis points	(1.5)%	
Down 50 basis points	(2.9)%	
Down 100 basis points	(5.9)	5.0%
Down 200 basis points	(10.1)%	
Down 300 basis points	(15.1)%	

82

#### Item 8. Financial Statements and Supplementary Data

## Index to Financial Statements

	Page
<a href="#">Report of Independent Registered Public Accounting Firm (PCAOB ID 238)</a>	F-2
<a href="#">Statements of Assets and Liabilities as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022</a>	F-4
<a href="#">Schedule of Investments as of December 31, 2022 December 31, 2023</a>	F-5
<a href="#">Schedule of Investments as of December 31, 2021 December 31, 2022</a>	F-12
<a href="#">Statements of Operations for the years ended December 31, 2022 December 31, 2023, December 31, 2021 December 31, 2022 and December 31, 2020 December 31, 2021</a>	F-19
<a href="#">Statements of Changes in Net Assets for the years ended December 31, 2022 December 31, 2023, December 31, 2021 December 31, 2022 and December 31, 2020 December 31, 2021</a>	F-20
<a href="#">Statements of Cash Flows for the years ended December 31, 2022 December 31, 2023, December 31, 2021 December 31, 2022 and December 31, 2020 December 31, 2021</a>	F-21
<a href="#">Notes to Financial Statements</a>	F-22

F-1

### Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Oxford Square Capital Corp.

#### ***Opinion on the Financial Statements***

We have audited the accompanying statements of assets and liabilities, including the schedules of investments, of Oxford Square Capital Corp. (the "Company") as of December 31, 2022 December 31, 2023 and December 31, 2021, 2022, and the related statements of operations, changes in net assets and cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023, including the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 December 31, 2023 and December 31, 2021, 2022, and the results of its operations, changes in its net assets and its cash flows for each of the three years in the period ended December 31, 2022 December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our procedures included confirmation of securities owned as of December 31, 2022 December 31, 2023 and 2021 2022 by correspondence with the custodian, agent banks, and portfolio company investees. We believe that our audits provide a reasonable basis for our opinion.

#### ***Critical Audit Matters***

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (i) relate to accounts or disclosures that are material to the financial statements and (ii) involved our

especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

*Valuation of Syndicated Loan (Including Senior Secured Notes) and CLO Collateralized Loan Obligation ("CLO") Equity Level 3 Investments*

As described in Notes 2 and 3 to the financial statements, the Company's fair value of syndicated loans (comprised of senior secured notes) and CLO equity investments was ~~\$211.4~~ \$179.5 million and ~~\$98.9~~ \$82.2 million, respectively, as of ~~December 31, 2022~~ December 31, 2023. Management applies judgment to the specific facts and circumstances of each level 3 investment when determining fair value, which involves the use of significant unobservable inputs with respect to (i) for syndicated loan investments: non-binding indicative bids received from agent banks, discount rates derived

F-2

from estimated credit spreads, EBITDA multiples, and recent trading activity, and (ii) for CLO equity investments: indicative prices provided by a recognized industry pricing service, and the implied yield of such prices,

F-2

supplemented by actual trades executed in the market at or around period-end, as well as indicative prices provided by brokers who arrange the transactions. For syndicated loan investments, when determining fair value, management also analyzes each syndicated loan by reviewing the portfolio company's financial statements, covenant compliance and other business developments. ~~Additionally, for syndicated loans that have certain attributes as discussed in Note 2, management uses a third-party valuation firm.~~ For CLO equity investments, management considers, among other factors, operating metrics of the specific investment vehicle, including compliance with collateralization tests, defaulted and restructured securities, and payment defaults in determining fair value.

The principal considerations for our determination that performing procedures relating to the valuation of syndicated loan and CLO equity level 3 investments is a critical audit matter are (i) the significant judgment by management when developing the fair value estimates of syndicated loan and CLO equity level 3 investments, (ii) to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management's significant unobservable inputs, and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included, ~~testing the effectiveness of controls relating to the valuation of syndicated loan and CLO equity level 3 investments, including controls over management's methods, significant unobservable inputs, and data.~~ These procedures also included, among others (i) developing an independent fair value estimate by obtaining independent pricing from third-party vendors, when available, and comparing management's estimate to the independent estimate to evaluate the reasonableness of management's estimate, and/or (ii) for a selection of investments, professionals with specialized skill and knowledge were used to assist in developing an independent range of prices using available market inputs, independently constructed models and independently determined significant unobservable inputs, and comparing management's estimate to the independent range of prices to evaluate the reasonableness of management's estimate. Developing an independent range of prices involved testing the completeness and accuracy of data provided by management.

*Income from Securitization Vehicles and Investments*

As described in Notes 2 and 8 to the financial statements, the Company recorded income from securitization vehicles and investments of ~~\$17.1~~ \$16.8 million for the year ended ~~December 31, 2022~~ December 31, 2023, which represents income from investments in the equity class securities of CLO vehicles (typically income notes or subordinated notes). The Company's income from securitization vehicles and investments is recorded using the effective interest method based upon estimated cash flows, amounts and timing, including those CLO equity investments that have not made their inaugural distribution for the relevant period end.

The principal considerations for our determination that performing procedures relating to the income from securitization vehicles and investments is a critical audit matter are (i) the significant judgment by management when developing the estimates of the income from securitization vehicles and investments; (ii) a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating management's significant assumptions related to estimated cash flows, amounts and timing used in the effective interest method; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the financial statements. These procedures included, among others (i) testing management's process for developing the estimates of the income from securitization vehicles and investments; (ii) evaluating the appropriateness of the effective interest method; (iii) testing the completeness and accuracy of data used by management in the

effective interest method; and (iv) the involvement of professionals with specialized skill and knowledge were used to assist in (a) calculating the effective yield for a selection of securities and (b) evaluating the reasonableness of management's significant assumptions related to estimated cash flows, amounts and timing.

/s/ PricewaterhouseCoopers LLP

New York, New York

March 23, 2023 18, 2024

We have served as the Company's auditor since 2003.

F-3

OXFORD SQUARE CAPITAL CORP.

STATEMENTS OF ASSETS AND LIABILITIES

	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022
<b>ASSETS</b>				
Non-affiliated/non-control investments (cost: \$495,000,997 and \$495,212,632, respectively)	\$ 310,347,097	\$ 420,038,717		
Non-affiliated/non-control investments (cost: \$440,069,822 and \$495,000,997, respectively)			\$ 261,614,335	\$ 310,347,097
Affiliated investments (cost: \$16,836,822 and \$16,836,822, respectively)	4,349,818	772,491	5,276,092	4,349,818
Cash and cash equivalents	9,019,164	9,015,700	5,740,553	9,019,164
Interest and distributions receivable	3,492,716	3,064,477	3,976,408	3,492,716
Other assets	785,640	615,109	1,060,384	785,640
<b>Total assets</b>	<b>\$ 327,994,435</b>	<b>\$ 433,506,494</b>	<b>\$ 277,667,772</b>	<b>\$ 327,994,435</b>
<b>LIABILITIES</b>				
Notes payable – 6.50% Unsecured Notes, net of deferred issuance costs of \$405,657 and \$730,361, respectively	\$ 63,964,568	\$ 63,639,864		
Notes payable – 6.25% Unsecured Notes, net of deferred issuance costs of \$776,766 and \$1,009,924, respectively	44,013,984	43,780,826		
Notes payable – 5.50% Unsecured Notes, net of deferred issuance costs of \$2,153,762 and \$2,539,305, respectively	78,346,238	77,960,695		
Notes payable – 6.50% Unsecured Notes, net of deferred issuance costs of \$- and \$405,657, respectively			\$ —	\$ 63,964,568
Notes payable – 6.25% Unsecured Notes, net of deferred issuance costs of \$543,609 and \$776,766, respectively			44,247,141	44,013,984
Notes payable – 5.50% Unsecured Notes, net of deferred issuance costs of \$1,768,219 and \$2,153,762, respectively			78,731,781	78,346,238
Base Fee and Net Investment Income Incentive Fee payable to affiliate	1,323,573	1,688,712	1,012,389	1,323,573
Accrued interest payable	1,216,109	1,216,109	1,204,487	1,216,109
Accrued expenses	458,001	625,163	1,163,349	458,001
<b>Total liabilities</b>	<b>189,322,473</b>	<b>188,911,369</b>	<b>126,359,147</b>	<b>189,322,473</b>
<b>COMMITMENTS AND CONTINGENCIES (Note 9)</b>				
<b>NET ASSETS</b>				
Common stock, \$0.01 par value, 100,000,000 shares authorized; 49,844,796 and 49,690,059 shares issued and outstanding, respectively	498,447	496,900		
Common stock, \$0.01 par value, 100,000,000 shares authorized; 59,300,472 and 49,844,796 shares issued and outstanding, respectively			593,005	498,447

Capital in excess of par value	434,737,950	434,462,322	458,121,381	434,737,950
Total distributable earnings/(accumulated losses)	(296,564,435)	(190,364,097)	(307,405,761)	(296,564,435)
Total net assets	138,671,962	244,595,125	151,308,625	138,671,962
Total liabilities and net assets	\$ 327,994,435	\$ 433,506,494	\$ 277,667,772	\$ 327,994,435
Net asset value per common share	\$ 2.78	\$ 4.92	\$ 2.55	\$ 2.78

See **Accompanying Notes**. The accompanying notes are an integral part of these financial statements.

F-4

**OXFORD SQUARE CAPITAL CORP.**

**SCHEDULE OF INVESTMENTS**

**December 31, 2023**

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>	% of Net Assets <sup>(10)</sup>
<b>Senior Secured Notes</b>					
<b>Business Services</b>					
<b>Access CIG, LLC</b>					
second lien senior secured notes, 13.39%					
(SOFR + 7.75%), (0.00% floor) due					
February 27, 2026 <sup>(4)(5)(14)(30)</sup>	February 14, 2018	\$ 16,754,000	\$ 16,787,194	\$ 16,670,230	
<b>Convergint Technologies, LLC</b>					
first lien senior secured notes, 10.11%					
(SOFR + 4.75%), (0.75% floor) due					
March 31, 2028 <sup>(4)(5)(6)(14)(25)</sup>	November 15, 2022	2,468,749	2,385,311	2,462,577	
second lien senior secured notes, 12.22%					
(SOFR + 6.75%), (0.75% floor) due					
March 29, 2029 <sup>(4)(5)(14)(25)</sup>	March 18, 2021	11,000,000	10,967,876	9,881,630	
<b>Premiere Global Services, Inc.</b>					
first lien senior secured notes, 13.00%					
(Prime Rate + 5.50%), (1.00% floor) due					
September 9, 2021 <sup>(4)(5)(6)(16)(17)(29)</sup>	October 1, 2019	11,821,914	11,469,896	—	
replacement revolver, 13.00%					
(Prime Rate + 5.50%), (1.00% floor) due					
April 7, 2023 <sup>(4)(5)(17)(28)(29)</sup>	October 1, 2019	2,452,012	2,378,999	494,129	
second lien senior secured notes, 17.00%					
PIK (Prime Rate + 8.50%) (1.00% floor) due					
June 6, 2024 <sup>(3)(4)(5)(17)(29)</sup>	October 1, 2019	16,649,364	9,817,795	—	
<b>Verifone Systems, Inc.</b>					

first lien senior secured notes, 9.64% (SOFR + 4.00%), (0.00% floor) due August 20, 2025 <sup>(4)(5)(6)(14)(30)</sup>	August 9, 2018	13,917,169	13,532,801	13,534,447	
<b>Total Business Services</b>			<b>\$ 67,339,872</b>	<b>\$ 43,043,013</b>	<b>28.4%</b>
<b>Diversified Insurance</b>					
<b>Affinion Insurance Solutions, Inc. (f/k/a AIS Intermediate, LLC)</b>					
first lien senior secured notes, 10.64% (SOFR + 5.00%), (0.00% floor) due August 15, 2025 <sup>(4)(5)(6)(14)(30)</sup>	January 7, 2021	\$ 14,454,220	\$ 14,262,497	\$ 13,876,051	
<b>Total Diversified Insurance</b>			<b>\$ 14,262,497</b>	<b>\$ 13,876,051</b>	<b>9.2%</b>
<b>Healthcare</b>					
<b>Careismatic Brands, Inc. (f/k/a New Trojan Parent, Inc.)</b>					
second lien senior secured notes, 12.72% (SOFR + 7.25%), (0.50% floor) due January 5, 2029 <sup>(4)(5)(25)(31)</sup>	January 22, 2021	\$ 12,000,000	\$ 11,566,849	\$ 1,200,000	
<b>HealthChannels, Inc. (f/k/a ScribeAmerica, LLC)</b>					
first lien senior secured notes, 9.97% (SOFR + 4.50%), (0.00% floor) due April 3, 2025 <sup>(4)(5)(6)(14)(25)</sup>	October 31, 2018	18,800,583	18,646,324	12,995,903	

(continued on next page)

The accompanying notes are an integral part of these financial statements.

F-5

**OXFORD SQUARE CAPITAL CORP.**

**SCHEDULE OF INVESTMENTS — (continued)**

**December 31, 2023**

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>	% of Net Assets <sup>(10)</sup>
<b>Senior Secured Notes – (continued)</b>					
<b>Healthcare – (continued)</b>					
<b>Viant Medical Holdings, Inc.</b>					
first lien senior secured notes, 9.22% (SOFR + 3.75%), (0.00% floor) due July 2, 2025 <sup>(4)(5)(6)(14)(25)</sup>	June 26, 2018	\$ 9,475,000	\$ 9,471,702	\$ 9,380,250	
second lien senior secured notes, 13.22% (SOFR + 7.75%), (0.00% floor) due July 2, 2026 <sup>(4)(5)(14)(25)</sup>	June 26, 2018	5,000,000	4,980,592	4,812,500	
<b>Total Healthcare</b>			<b>\$ 44,665,467</b>	<b>\$ 28,388,653</b>	<b>18.8%</b>

**Software****Alvaria, Inc. (f/k/a Aspect Software, Inc.)**

first lien senior secured notes, 10.88%

(SOFR + 5.25%), (0.75% floor) due

May 8, 2028<sup>(4)(5)(6)(30)</sup>

May 18, 2021

\$ 7,800,000

\$ 7,711,498

\$ 4,602,000

second lien senior secured notes, 14.64%

(SOFR + 9.00%), (0.75% floor) due May 7, 2029<sup>(4)(5)(30)</sup>

May 3, 2021

7,000,000

6,834,961

2,263,310

**Dodge Data & Analytics, LLC**

first lien senior secured notes, 10.25%

(SOFR + 4.75%), (0.50% floor) due

February 23, 2029<sup>(4)(5)(6)(14)(30)</sup>

February 10, 2022

4,925,000

4,865,132

3,841,500

second lien senior secured notes, 13.75%

(SOFR + 8.25%), (0.50% floor) due

February 25, 2030<sup>(4)(5)(14)(30)</sup>

February 10, 2022

15,000,000

14,812,653

6,600,000

**Help/Systems Holdings, Inc.**

first lien senior secured notes, 9.48%

(SOFR + 4.00%), (0.75% floor) due

November 19, 2026<sup>(4)(5)(6)(14)(30)</sup>

October 6, 2022

4,447,383

4,221,424

4,213,895

second lien senior secured notes, 12.35%

(SOFR + 6.75%), (0.75% floor) due

November 19, 2027<sup>(4)(5)(14)(15)</sup>

October 14, 2021

8,000,000

8,004,733

6,470,000

**Kofax, Inc.**

first lien senior secured notes, 10.73%

(SOFR + 5.25%), (0.50% floor) due

July 20, 2029<sup>(4)(5)(6)(30)</sup>

February 1, 2023

4,950,000

4,648,421

4,455,000

**Magenta Buyer, LLC (f/k/a McAfee Enterprise)**

first lien senior secured notes, 10.64%

(SOFR + 5.00%), (0.75% floor) due

July 27, 2028<sup>(4)(5)(6)(30)</sup>

May 17, 2022

1,969,849

1,882,462

1,398,593

second lien senior secured notes, 13.89%

(SOFR + 8.25%), (0.75% floor) due

July 27, 2029<sup>(4)(5)(30)</sup>

October 20, 2021

14,968,714

14,925,574

5,688,111

**Quest Software, Inc.**

first lien senior secured notes, 9.78%

(SOFR + 4.25%), (0.50% floor) due

February 1, 2029<sup>(4)(5)(6)(14)(30)</sup>

January 20, 2022

2,962,500

2,939,084

2,295,938

second lien senior secured notes, 13.03%				
(SOFR + 7.50%), (0.50% floor) due				
February 1, 2030 <sup>(4)(5)(14)(30)</sup>	January 20, 2022	20,000,000	19,749,583	11,814,200

(continued on next page)

The accompanying notes are an integral part of these financial statements.

F-6

**OXFORD SQUARE CAPITAL CORP.**

**SCHEDULE OF INVESTMENTS — (continued)**

**December 31, 2023**

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	FAIR VALUE <sup>(2)</sup>		% of Assets <sup>(10)</sup>			
			COST	Net				
<b><u>Senior Secured Notes – (continued)</u></b>								
<b>Software – (continued)</b>								
<b>RSA Security, LLC</b>								
second lien senior secured notes, 13.22%								
(SOFR + 7.75%), (0.75% floor) due								
April 27, 2029 <sup>(4)(5)(14)(25)</sup>	April 16, 2021	\$ 15,000,000	\$ 14,799,154	\$ 9,075,000				
<b>Veritas USA, Inc.</b>								
first lien senior secured notes, 10.47%								
(SOFR + 5.00%), (1.00% floor) due								
September 1, 2025 <sup>(4)(5)(6)(25)</sup>	June 24, 2022	3,955,675	3,512,524	3,293,099				
<b>Total Software</b>			\$ 108,907,203	\$ 66,010,646	43.6%			
<b>Telecommunication Services</b>								
<b>ConvergeOne Holdings, Inc.</b>								
first lien senior secured notes, 12.50%								
(Prime Rate + 4.00%), (0.00% floor) due								
January 4, 2026 <sup>(4)(5)(6)(29)</sup>	June 4, 2021	\$ 5,239,634	\$ 5,212,216	\$ 2,901,447				
second lien senior secured notes, 16.00%								
(Prime Rate + 7.50%), (0.00% floor) due								
January 4, 2027 <sup>(4)(5)(29)</sup>	June 3, 2021	15,000,000	14,562,375	3,028,200				
<b>Global Tel Link Corp.</b>								
second lien senior secured notes, 15.53%								
(SOFR + 10.00%), (0.00% floor) due								
November 29, 2026 <sup>(4)(5)(14)(30)</sup>	November 20, 2018	17,000,000	16,853,072	14,960,000				
<b>Total Telecommunication Services</b>			\$ 36,627,663	\$ 20,889,647	13.8%			
<b>Utilities</b>								
<b>CLEAResult Consulting, Inc.</b>								

second lien senior secured notes, 12.71%						
(SOFR + 7.25%), (0.00% floor) due						
August 10, 2026 <sup>(4)(5)(25)</sup>	August 3, 2018	\$ 7,650,000	\$ 7,656,195	\$ 7,248,375		
<b>Total Utilities</b>			<b>\$ 7,656,195</b>	<b>\$ 7,248,375</b>		<b>4.8%</b>
<b>Total Senior Secured Notes</b>			<b>\$ 279,458,897</b>	<b>\$ 179,456,385</b>		<b>118.6%</b>

#### Collateralized Loan Obligation – Equity Investments

##### Structured Finance

###### **Ares XLIV CLO Ltd.**

CLO subordinated notes, estimated yield 20.16% due April 15,

2034(9)(11)(12)(18)(24)	December 15, 2023	\$ 5,000,000	\$ 1,425,478	\$ 1,432,607
-------------------------	-------------------	--------------	--------------	--------------

###### **Atlas Senior Loan Fund XI, Ltd.**

CLO subordinated notes, estimated yield 0.00% due July 26,

2031(9)(11)(12)(18)(24)	April 5, 2019	5,725,000	2,135,286	400,750
-------------------------	---------------	-----------	-----------	---------

###### **BlueMountain CLO 2014-2 Ltd.**

CLO subordinated notes, estimated yield 7.29% due October 20,

2030(9)(11)(12)(18)(24)	April 3, 2019	6,374,000	1,348,136	701,140
-------------------------	---------------	-----------	-----------	---------

##### **Carlyle Global Market Strategies**

###### **CLO 2013-2, Ltd.**

CLO subordinated notes, estimated yield 0.00% due January 18,

2029(9)(11)(12)(18)(24)(32)	March 19, 2013	6,250,000	544,329	625
-----------------------------	----------------	-----------	---------	-----

##### **Carlyle Global Market Strategies**

###### **CLO 2021-6, Ltd.**

CLO subordinated notes, estimated yield 14.85% due July 17,

2034(9)(11)(12)(14)(18)	June 30, 2021	29,600,000	20,677,311	17,612,000
-------------------------	---------------	------------	------------	------------

*(continued on next page)*

The accompanying notes are an integral part of these financial statements.

F-7

#### **OXFORD SQUARE CAPITAL CORP.**

#### **SCHEDULE OF INVESTMENTS — (continued)**

**December 31, 2023**

COMPANY/INVESTMENT <sup>(1)(2)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>	% of Assets <sup>(10)</sup>
<b>Collateralized Loan Obligation – Equity Investments –</b>					
<i>(continued)</i>					
<b>Structured Finance – (continued)</b>					
<b>Cedar Funding II CLO, Ltd.</b>					

CLO subordinated notes, estimated yield 11.36% due April 20, 2034(9)(11)(12)(13)(14)(18)(26)	October 23, 2013	\$ 18,000,000	\$ 11,807,281	\$ 8,473,884
<b>Cedar Funding VI CLO, Ltd.</b>				
CLO subordinated notes, estimated yield 13.08% due April 20, 2034(9)(11)(12)(18)	May 15, 2017	7,700,000	6,340,254	4,697,000
<b>CIFC Funding 2014-3, Ltd.</b>				
CLO subordinated notes, estimated yield 6.80% due October 22, 2031(9)(11)(12)(18)(24)	January 24, 2017	10,000,000	3,338,457	1,800,000
<b>Dryden 43 Senior Loan Fund</b>				
CLO subordinated notes, estimated yield 17.05% due April 20, 2034(9)(11)(12)(14)(18)	June 1, 2021	47,263,000	27,452,965	21,740,980
<b>Gulf Stream Meridian 4 Ltd.</b>				
CLO subordinated notes, estimated yield 22.23% due July 15, 2034(9)(11)(12)(18)(24)	November 15, 2023	3,125,000	1,909,828	1,902,787
<b>Madison Park Funding XVIII, Ltd.</b>				
CLO subordinated notes, estimated yield 29.46% due October 21, 2030(9)(11)(12)(18)(24)	May 22, 2020	12,500,000	4,073,637	4,625,000
<b>Madison Park Funding XIX, Ltd.</b>				
CLO subordinated notes, estimated yield 8.03% due January 22, 2028(9)(11)(12)(18)(24)	May 11, 2016	5,422,500	3,071,305	2,711,250
<b>Octagon Investment Partners 49, Ltd.</b>				
CLO subordinated notes, estimated yield 8.89% due January 18, 2033(9)(11)(12)(13)(14)(18)(26)	December 11, 2020	28,875,000	18,366,667	12,093,730
<b>Sound Point CLO XVI, Ltd.</b>				
CLO subordinated notes, estimated yield 0.00% due July 25, 2030(9)(11)(12)(18)	August 1, 2018	45,500,000	20,081,684	455,000
<b>Telos CLO 2013-3, Ltd.</b>				
CLO subordinated notes, estimated yield 0.00% due July 17, 2026(9)(11)(12)(18)(24)	January 25, 2013	14,447,790	6,207,075	1,445
<b>Telos CLO 2014-5, Ltd.</b>				
CLO subordinated notes, estimated yield 0.00% due April 17, 2028(9)(11)(12)(18)	April 11, 2014	28,500,000	18,179,226	2,850

<b>Venture XVII, Ltd.</b>					
CLO subordinated notes, estimated yield 0.00% due April 15,					
2027(9)(11)(12)(18)(24)	January 27, 2017	6,200,000	2,321,562	15,500	
<b>Venture XX, Ltd.</b>					
CLO subordinated notes, estimated yield 0.00% due April 15,					
2027(9)(11)(12)(18)(24)(32)	July 27, 2018	3,000,000	332,779	—	
<b>Venture 35 CLO, Limited</b>					
CLO subordinated notes, estimated yield 46.06% due October					
22, 2031(9)(11)(12)(18)	December 7, 2020	5,000,000	1,779,262	1,150,000	

(continued on next page)

The accompanying notes are an integral part of these financial statements.

F-8

**OXFORD SQUARE CAPITAL CORP.**

**SCHEDULE OF INVESTMENTS — (continued)**

**December 31, 2023**

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL		FAIR VALUE <sup>(2)</sup>	% of Assets <sup>(10)</sup>			
		AMOUNT/ SHARES	COST					
<b><u>Collateralized Loan Obligation – Equity Investments –</u></b>								
<b><u>(continued)</u></b>								
<b>Structured Finance – (continued)</b>								
<b>Venture 39 CLO, Limited</b>								
CLO subordinated notes, estimated yield 18.61% due April 15,								
2033(9)(11)(12)(13)(18)(24)(26)	May 8, 2020	\$ 5,150,000	\$ 3,018,591	\$ 2,229,027				
<b>West CLO 2014-1, Ltd.</b>								
CLO subordinated notes, estimated yield 0.00% due July 18,								
2026(9)(11)(12)(18)(24)(32)	May 12, 2017	9,250,000	1,127,401	31,450				
<b>Zais CLO 6, Ltd.</b>								
CLO subordinated notes, estimated yield 0.00% due July 15,								
2029(9)(11)(12)(13)(18)(26)	May 3, 2017	10,500,000	5,072,411	80,925				
<b>Total Structured Finance</b>				\$ 160,610,925	\$ 82,157,950			
<b>Total Collateralized Loan Obligation – Equity Investments</b>				\$ 160,610,925	\$ 82,157,950			
<b>Common Stock</b>								
<b>IT Consulting</b>								
<b>UniTek Global Services, Inc.</b>								

common equity <sup>(7)(27)</sup>	January 13, 2015	1,244,188	\$ 684,960	\$ —	—
<b>Total IT Consulting</b>			<b>\$ 684,960</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Total Common Stock</b>			<b>\$ 684,960</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Preferred Stock</b>					
<b>IT Consulting</b>					
<b>UniTek Global Services, Inc.</b>					
Series B Preferred Stock <sup>(3)(17)(21)(27)</sup>	June 26, 2019	18,763,056	\$ 9,002,159	\$ —	—
Series B Senior Preferred Stock <sup>(3)(17)(22)(27)</sup>	June 26, 2019	10,034,166	4,535,443	221,755	
Series B Super Senior Preferred Stock <sup>(3)(17)(23)(27)</sup>	June 26, 2019	5,706,602	2,614,260	5,054,337	
<b>Total IT Consulting</b>			<b>\$ 16,151,862</b>	<b>\$ 5,276,092</b>	<b>3.5%</b>
<b>Total Preferred Stock</b>			<b>\$ 16,151,862</b>	<b>\$ 5,276,092</b>	<b>3.5%</b>
<b>Total Investments in Securities<sup>(8)</sup></b>			<b>\$ 456,906,644</b>	<b>\$ 266,890,427</b>	<b>176.4%</b>
<b>Cash Equivalents</b>					
First American Government Obligations Fund – Class Z Shares, 5.26% <sup>(14)(19)</sup>		4,579,889	\$ 4,579,889	\$ 4,579,889	
<b>Total Cash Equivalents</b>			<b>\$ 4,579,889</b>	<b>\$ 4,579,889</b>	<b>3.0%</b>
<b>Total Investments in Securities and Cash Equivalents</b>			<b>\$ 461,486,533</b>	<b>\$ 271,470,316</b>	<b>179.4%</b>

(1) The Company generally acquires its investments in transactions not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"). These investments are generally subject to restrictions as "restricted securities" (within the meaning of the Securities Act). Unless otherwise noted, all securities were acquired in transactions not subject to registration under the Securities Act.

(2) Fair value is determined in good faith by the Board of Directors of the Company.

(3) As of December 31, 2023, the portfolio includes \$16,649,364 principal amount of debt investments and 34,503,824 shares of preferred stock investments which contain a PIK provision.

(4) Notes bear interest at variable rates and are subject to an interest rate floor where disclosed. The rate disclosed is as of December 31, 2023.

(5) Cost value reflects accretion of original issue discount or market discount, or amortization of premium.

(6) Cost value reflects repayment of principal.

(continued on next page)

The accompanying notes are an integral part of these financial statements.

F-9

**OXFORD SQUARE CAPITAL CORP.**

**SCHEDULE OF INVESTMENTS — (continued)**

**December 31, 2023**

(7) Common stock investments were non-income producing as of December 31, 2023.

(8) Aggregate gross unrealized appreciation for U.S. federal income tax purposes is \$3,673,000; aggregate gross unrealized depreciation for U.S. federal income tax purposes is \$216,704,716. Net unrealized depreciation is \$213,031,716 based upon an estimated tax cost basis of \$479,922,143 as of December 31, 2023.

(9) Cost reflects accretion of effective yield less any cash distributions received or entitled to be received from CLO equity investments.

(10) Totals may not sum due to rounding.

(11) Indicates assets that the Company believes do not represent "qualifying assets" under Section 55(a) of the 1940 Act. The Company may include CLO equity side letter related investments within CLO equity subordinated notes line items, and those side letter related investments may represent qualifying assets under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70% of the Company's total assets at the time of acquisition of any additional non-qualifying assets. As of December 31, 2023, the Company held qualifying assets that represented 70.6% of its total assets.

(12) Investment not domiciled in the United States.

(13) Fair value includes the Company's interest in subordinated fee notes and represents discounted cash flows associated with fees earned from CLO equity investments.

(14) Aggregate investments represent greater than 5% of net assets.

(15) The principal balance outstanding for this debt investment, in whole or in part, is indexed to 180-day SOFR.

(16) The amended stated maturity date is June 8, 2023, however, a springing maturity date of September 9, 2021 is in effect as of December 31, 2023.

(17) As of December 31, 2023, this debt or preferred equity investment was on non-accrual status and no interest or dividend income has been recognized on this investment during the twelve months ended December 31, 2023. The aggregate fair value of these investments was approximately \$5.8 million.

(18) The CLO subordinated notes and income notes are considered equity positions in CLO vehicles. Equity investments are entitled to recurring distributions which are generally equal to the remaining cash flow of the payments made by the underlying CLO's securities less contractual payments to debt holders and fund expenses. The estimated yield indicated is based on the prior quarters ending investment cost (for previously existing portfolio investments) or the original cost for those investments made during the current quarter, as well as, a current projection of the future cash flows. Such projections are periodically reviewed and adjusted, and the estimated yield may not ultimately be realized.

(19) Represents cash equivalents held in a money market fund as of December 31, 2023.

(20) The fair value of the investment was determined using significant unobservable inputs. See "Note 3. Fair Value."

(21) The Company holds preferred stock in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 13.5% per annum payable in additional shares.

(22) The Company holds preferred stock in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 19.0% per annum payable in additional shares.

(23) The Company holds preferred stock in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 20.0% per annum payable in additional shares.

(24) The investment is co-invested with the Company's affiliates. See "Note 7. Related Party Transactions."

(25) The principal balance outstanding for this debt investment, in whole or in part, is indexed to 30-day SOFR.

(26) Cost value reflects amortization.

(continued on next page)

The accompanying notes are an integral part of these financial statements.

F-10

**OXFORD SQUARE CAPITAL CORP.**

**SCHEDULE OF INVESTMENTS — (continued)**

**December 31, 2023**

(27) These investments are deemed to be an "affiliate," as defined in the Investment Company Act of 1940 (the "1940 Act"). In general, under the 1940 Act, we would be presumed to "control" a portfolio company if we owned 25% or more of its voting securities and would be an "affiliate" of a portfolio company if we owned between 5% and 25% of its voting securities. We do not "control" any of our portfolio companies. Fair value as of December 31, 2022 and December 31, 2023 along with transactions during the twelve months ended December 31, 2023 in these affiliated investments are as follows:

Name of Issuer	Title of Issue	Amount of				Gross	Gross	Unrealized	Net				
		Interest or Dividends	Fair Value as of	December 31, 2022	Additions <sup>(b)</sup>								
		Credited to											
<b>AFFILIATED INVESTMENTS:</b>													
Unitek Global Systems, Inc	Common Stock	\$	—	\$	—	\$	—	\$	—	\$			
	Series B Preferred												
	Stock		—	—	—	—	—	—	—	—			

Series B Senior							
Preferred Stock	—	500,053	—	—	(278,298)	—	221,755
Series B Super							
Senior Preferred							
Stock	—	3,849,765	—	—	1,204,572	—	5,054,337
Total Affiliated Investments	—	4,349,818	—	—	926,274	—	5,276,092
<b>Total Control Investments</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>TOTAL CONTROL AND AFFILIATED INVESTMENTS</b>	<b>\$ —</b>	<b>\$ 4,349,818</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 926,274</b>	<b>\$ —</b>	<b>\$ 5,276,092</b>

(a) Represents the total amount of interest or distributions credited to income for the portion of the period an investment was an affiliate investment.

(b) Gross additions include increases in investments resulting from new portfolio investments, paid-in-kind interest or dividends, the amortization of discounts and fees. For the twelve months ended December 31, 2023, a total of approximately \$5.0 million of paid-in-kind dividends were entitled to be received yet deemed uncollectible.

(c) Gross reductions include decreases in investments resulting from principal collections related to investment repayments or sales, the amortization of premiums and acquisition costs.

(28) As part of a restructuring completed on September 17, 2021, a portion of the Company's investment in the first lien senior secured notes of Premiere Global Services, Inc. was converted into a like amount of a new revolving credit facility (the "Replacement Revolver"). On March 15, 2023, the maturity date of the Replacement Revolver was amended from March 15, 2023 to April 7, 2023. The cost basis of the Replacement Revolver was established by allocating a portion of the cost basis from the first lien senior secured notes pro-rata based on the amount of principal that was converted from the first lien senior secured notes to the Replacement Revolver. The Replacement Revolver has no unfunded commitment and is on non-accrual status as of December 31, 2023.

(29) Note bears interest at the stated rate, plus the greater of: the Wall Street Journal quoted Prime Rate, Federal Funds effective rate plus 1.00%, or the one-month reserve adjusted Eurodollar Base Rate plus 1.00%.

(30) The principal balance outstanding for this debt investment, in whole or in part, is indexed to 90-day SOFR.

(31) As of December 31, 2023, this debt investment was on non-accrual status. No interest income was recognized on this investment during the three months ended December 31, 2023, as the Company placed this investment on non-accrual status as of October 1, 2023.

(32) The CLO equity investment was optionally redeemed. Expected value of residual distributions, once received, is anticipated to be recognized as return of capital, pending any remaining amortized cost, and/or realized gain for any amounts received in excess of such amortized cost.

The accompanying notes are an integral part of these financial statements.

F-11

OXFORD SQUARE CAPITAL CORP.

SCHEDULE OF INVESTMENTS

December 31, 2022

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>	Net Assets	ACQUISITION DATE			PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>	Net Assets
<b>Senior Secured Notes</b>												
Business Services												
Access CIG, LLC												
second lien senior secured notes, 11.82% (LIBOR + 7.75%), (0.00% floor) due	February February 27, 2026 <sup>(4)(5)(14)(15)</sup>	\$ 16,754,000	\$ 16,801,208	\$ 14,743,520		February 14, 2018	\$ 16,754,000	\$ 16,801,208	\$ 14,743,520			
Convergint Technologies, LLC												

first lien senior secured notes, 9.07% (SOFR+ 6.75%), (0.75% floor) due March 31, 2028 <sup>(4)(5)(14)(31)</sup>	November 15, 2022	2,493,750	2,394,878	2,390,883				
first lien senior secured notes, 9.07% (SOFR+ 4.75%), (0.75% floor) due March 31, 2028 <sup>(4)(5)(14)(31)</sup>					November 15, 2022	2,493,750	2,394,878	2,390,883
second lien senior secured notes, 11.13% (LIBOR + 6.75%), (0.75% floor) due March 29, 2029 <sup>(4)(5)(14)(15)</sup>	March 18, 2021	11,000,000	10,957,972	9,661,630	March 18, 2021	11,000,000	10,957,972	9,661,630
<b>OMNIA Partners, Inc.</b>					May 17, 2018	13,812,665	13,777,768	13,536,412
second lien senior secured notes, 12.08% (SOFR + 7.50%), (0.00% floor) due May 22, 2026 <sup>(4)(5)(6)(14)(30)</sup>	May 17, 2018	13,812,665	13,777,768	13,536,412	May 17, 2018	13,812,665	13,777,768	13,536,412
<b>Premiere Global Services, Inc.</b>								
first lien senior secured notes, 13.00% (Prime Rate + 5.50%), (1.00% floor) due September 9, 2021 <sup>(4)(5)(6)(17)(29)</sup> (32)	October 1, 2019	11,821,914	11,469,896	—	October 1, 2019	11,821,914	11,469,896	—
replacement revolver, 13.00% (Prime Rate + 5.50%), (1.00% floor) due January 31, 2023 <sup>(4)(5)(17)(28)(29)</sup>	October 1, 2019	2,452,012	2,378,999	171,641	October 1, 2019	2,452,012	2,378,999	171,641
second lien senior secured notes, 0.50% Cash, 13.51% PIK (LIBOR + 9.00%) (1.00% floor) due June 6, 2024 <sup>(3)(4)(5)(16)(17)</sup>	October 1, 2019	13,958,099	9,817,795	—	October 1, 2019	13,958,099	9,817,795	—
<b>Verifone Systems, Inc.</b>								

first lien senior secured notes, 8.76% (LIBOR + 4.00%), (0.00% floor) due August 20, 2025 <sup>(4)(5)(6)(14)(16)</sup>	August 9, 2018	14,063,666	13,471,768	12,870,505	August 9, 2018	14,063,666	13,471,768	12,870,505
<b>Total Business Services</b>			<b>\$ 81,070,284</b>	<b>\$ 53,374,591</b>	<b>38.5%</b>			<b>\$81,070,284</b>
<b>Diversified Insurance</b>								
<b>Affinion Insurance Solutions, Inc. (f/k/a AIS Intermediate, LLC)</b>								
first lien senior secured notes, 9.41% (LIBOR + 5.00%), (0.00% floor) due August 15, 2025 <sup>(4)(5)(6)(14)(16)</sup>	January 7, 2021	\$ 15,209,069	\$ 14,898,830	\$ 14,676,752	January 7, 2021	\$15,209,069	\$14,898,830	\$14,676,752
<b>Total Diversified Insurance</b>			<b>\$ 14,898,830</b>	<b>\$ 14,676,752</b>	<b>10.6%</b>			<b>\$14,898,830</b>
<b>Healthcare</b>								
<b>Careismatic Brands, Inc. (f/k/a New Trojan Parent, Inc.)</b>								
second lien senior secured notes, 11.63% (LIBOR + 7.25%), (0.50% floor) due January 5, 2029 <sup>(4)(5)(14)(15)</sup>	January 22, 2021	\$ 12,000,000	\$ 11,945,298	\$ 7,800,000	January 22, 2021	\$12,000,000	\$11,945,298	\$ 7,800,000
<b>HealthChannels, Inc. (f/k/a ScribeAmerica, LLC)</b>								
first lien senior secured notes, 8.88% (LIBOR + 4.50%), (0.00% floor) due April 3, 2025 <sup>(4)(5)(6)(14)(15)</sup>	October 31, 2018	19,018,255	18,756,372	13,170,142	October 31, 2018	19,018,255	18,756,372	13,170,142

(continued on next page)

See **Accompanying Notes**. The accompanying notes are an integral part of these financial statements.

F-5 F-12

**OXFORD SQUARE CAPITAL CORP.**

**SCHEDULE OF INVESTMENTS — (continued)**

**December 31, 2022**

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>	% of Net Assets
<b>Senior Secured Notes – (continued)</b>					
<b>Viant Medical Holdings, Inc.</b>					
first lien senior secured notes, 8.13% (LIBOR + 3.75%), (0.00% floor) due					
July 2, 2025 <sup>(4)(5)(6)(14)(15)</sup>	June 26, 2018	\$ 9,575,000	\$ 9,572,315	\$ 8,412,021	
second lien senior secured notes, 12.13% (LIBOR + 7.75%), (0.00% floor) due					
July 2, 2026 <sup>(4)(5)(14)(15)</sup>	June 26, 2018	5,000,000	4,973,567	4,243,750	
<b>Total Healthcare</b>		<b>\$ 45,247,552</b>	<b>\$ 33,625,913</b>		<b>24.2%</b>
<b>Plastics Manufacturing</b>					
<b>Spectrum Holdings III Corp. (f/k/a KPEX Holdings, Inc.)</b>					
first lien senior secured notes, 7.63% (LIBOR + 3.25%), (1.00% floor) due					
January 31, 2025 <sup>(4)(5)(6)(14)(15)</sup>	June 24, 2020	\$ 12,836,344	\$ 12,373,909	\$ 11,724,588	
<b>Total Plastics Manufacturing</b>		<b>\$ 12,373,909</b>	<b>\$ 11,724,588</b>		<b>8.5%</b>
<b>Software</b>					
<b>Aspect Software, Inc.</b>					
first lien senior secured notes, 8.68% (LIBOR + 5.25%), (0.75% floor) due					
May 8, 2028 <sup>(4)(5)(6)(10)(14)</sup>	May 18, 2021	\$ 7,880,000	\$ 7,772,873	\$ 5,497,955	
second lien senior secured notes, 14.20% (LIBOR + 9.00%), (0.75% floor) due					
May 7, 2029 <sup>(4)(5)(10)(14)</sup>	May 3, 2021	7,000,000	6,817,051	4,655,000	
<b>Dodge Data &amp; Analytics, LLC</b>					
first lien senior secured notes, 9.79% (SOFR + 4.75%), (0.50% floor) due					
February 23, 2029 <sup>(4)(5)(6)(14)(25)</sup>	February 10, 2022	4,975,000	4,905,467	3,880,500	
second lien senior secured notes, 13.29% (SOFR + 8.25%), (0.50% floor) due					
February 25, 2030 <sup>(4)(5)(14)(25)</sup>	February 10, 2022	15,000,000	14,791,880	9,900,000	
<b>Fortra, LLC (f/k/a HelpSystems Holdings, Inc.)</b>					
first lien senior secured notes, 8.19% (SOFR + 4.00%), (0.75% floor) due					
November 19, 2026 <sup>(4)(5)(14)(30)</sup>	October 6, 2022	2,493,590	2,307,089	2,237,997	
second lien senior secured notes, 10.94% (SOFR + 6.75%), (0.75% floor) due					
November 19, 2027 <sup>(4)(5)(14)(30)</sup>	October 14, 2021	8,000,000	8,009,007	6,260,000	

**Magenta Buyer, LLC (f/k/a McAfee Enterprise)**

first lien senior secured notes, 9.17%  
 (LIBOR + 4.75%), (0.75% floor) due  
 July 27, 2028<sup>(4)(5)(6)(14)(16)</sup> May 17, 2022 1,989,950 1,887,340 1,693,945

second lien senior secured notes, 12.67%  
 (LIBOR + 8.25%), (0.75% floor) due  
 July 27, 2029<sup>(4)(5)(14)(16)</sup> October 20, 2021 14,968,714 14,923,007 11,725,443

**Quest Software, Inc.**

first lien senior secured notes, 8.49%  
 (SOFR + 4.25%), (0.50% floor) due  
 February 1, 2029<sup>(4)(5)(6)(14)(30)</sup> January 20, 2022 2,992,500 2,965,677 2,311,706

second lien senior secured notes, 11.74%  
 (SOFR + 7.50%), (0.50% floor) due  
 February 1, 2030<sup>(4)(5)(14)(30)</sup> January 20, 2022 20,000,000 19,725,475 12,033,400

(continued on next page)

See **Accompanying Notes**. The accompanying notes are an integral part of these financial statements.

**F-6 F-13**

---

**OXFORD SQUARE CAPITAL CORP.**
**SCHEDULE OF INVESTMENTS — (continued)**
**December 31, 2022**

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>	% of Net Assets
<b>Senior Secured Notes — (continued)</b>					
<b>RSA Security, LLC</b>					
second lien senior secured notes, 12.11% (LIBOR + 7.75%), (0.75% floor) due April 27, 2029 <sup>(4)(5)(14)(16)</sup>	April 16, 2021	\$ 15,000,000	\$ 14,770,630	\$ 7,396,950	
<b>Veritas USA, Inc.</b>					
first lien senior secured notes, 9.73% (LIBOR + 5.00%), (1.00% floor) due September 1, 2025 <sup>(4)(5)(16)</sup>	June 24, 2022	1,996,455	1,728,757	1,402,510	
<b>Total Software</b>		\$ 100,604,253	\$ 68,995,406		49.8%

**Telecommunication Services**
**ConvergeOne Holdings, Inc.**

first lien senior secured notes, 9.38%  
 (LIBOR + 5.00%), (0.00% floor) due  
 January 4, 2026<sup>(4)(5)(6)(14)(15)</sup> June 4, 2021 \$ 5,294,644 \$ 5,252,605 \$ 3,040,820

second lien senior secured notes, 12.88% (LIBOR + 8.50%), (0.00% floor) due January 4, 2027 <sup>(4)(5)(14)(15)</sup>	June 3, 2021	15,000,000	14,469,378	6,375,000
<b>Global Tel Link Corp.</b>				
second lien senior secured notes, 14.24% (SOFR + 10.00%), (0.00% floor) due November 29, 2026 <sup>(4)(5)</sup> (14)(30)	November 20, 2018	17,000,000	16,819,191	12,771,250
<b>Total Telecommunication Services</b>		<b>\$ 36,541,174</b>	<b>\$ 22,187,070</b>	<b>16.0%</b>
<b>Utilities</b>				
<b>CLEAResult Consulting, Inc.</b>				
second lien senior secured notes, 11.63% (LIBOR + 7.25%), (0.00% floor) due August 10, 2026 <sup>(4)(5)(15)</sup>	August 3, 2018	\$ 7,650,000	\$ 7,660,899	\$ 6,846,750
<b>Total Utilities</b>		<b>\$ 7,660,899</b>	<b>\$ 6,846,750</b>	<b>4.9%</b>
<b>Total Senior Secured Notes</b>		<b>\$ 298,396,901</b>	<b>\$ 211,431,070</b>	<b>152.5%</b>
<b>Collateralized Loan Obligation – Equity Investments</b>				
<b>Structured Finance</b>				
<b>Atlas Senior Loan Fund XI, Ltd.</b>				
CLO subordinated notes, estimated yield 0.00% due July 26, 2031 <sup>(9)(11)(12)(18)(24)</sup>	April 5, 2019	\$ 5,725,000	\$ 2,886,269	\$ 1,030,500
<b>Babson CLO Ltd. 2015-I</b>				
CLO subordinated notes, estimated yield 7.73% due January 21, 2031 <sup>(9)(11)(12)(18)</sup>	July 26, 2018	8,512,727	2,329,462	1,106,655
<b>BlueMountain CLO 2014-2 Ltd.</b>				
CLO subordinated notes, estimated yield 0.00% due October 20, 2030 <sup>(9)(11)(12)(18)</sup>	April 3, 2019	6,374,000	1,921,345	828,620
<b>Carlyle Global Market Strategies CLO 2013-2, Ltd.</b>				
CLO subordinated notes, estimated yield 0.00% due January 18, 2029 <sup>(9)(11)(12)(18)(24)</sup>	March 19, 2013	6,250,000	583,940	44,512
<b>Carlyle Global Market Strategies CLO 2021-6, Ltd.</b>				
CLO subordinated notes, estimated yield 13.46% due July 17, 2034 <sup>(9)(11)(12)(14)(18)</sup>	June 30, 2021	29,600,000	22,063,681	16,280,000

(continued on next page)

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

OXFORD SQUARE CAPITAL CORP.

SCHEDULE OF INVESTMENTS — (continued)

December 31, 2022

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>	% of Net Assets
<b><u>Collateralized Loan Obligation – Equity Investments –</u></b>					
<b><u>(continued)</u></b>					
<b>Cedar Funding II CLO, Ltd.</b>					
CLO subordinated notes, estimated yield 9.69% due April 20, 2034 <sup>(9)(11)(12)(13)(14)(18)(26)</sup>	October 23, 2013	\$ 18,000,000	\$ 11,828,545	\$ 8,546,146	
<b><u>Cedar Funding VI CLO, Ltd.</u></b>					
CLO subordinated notes, estimated yield 11.22% due April 20, 2034 <sup>(9)(11)(12)(18)</sup>	May 15, 2017	7,700,000	6,707,667	4,851,000	
<b><u>CIFC Funding 2014-3, Ltd.</u></b>					
CLO subordinated notes, estimated yield 0.00% due October 22, 2031 <sup>(9)(11)(12)(18)(24)</sup>	January 24, 2017	10,000,000	4,030,013	1,700,000	
<b><u>Dryden 43 Senior Loan Fund</u></b>					
CLO subordinated notes, estimated yield 18.97% due April 20, 2034 <sup>(9)(11)(12)(14)(18)</sup>	June 1, 2021	47,263,000	28,768,537	25,049,390	
<b><u>Madison Park Funding XVIII, Ltd.</u></b>					
CLO subordinated notes, estimated yield 23.29% due October 21, 2030 <sup>(9)(11)(12)(18)(24)</sup>	May 22, 2020	12,500,000	4,826,353	4,750,000	
<b><u>Madison Park Funding XIX, Ltd.</u></b>					
CLO subordinated notes, estimated yield 15.97% due January 22, 2028 <sup>(9)(11)(12)(18)(24)</sup>	May 11, 2016	5,422,500	3,222,384	2,331,675	
<b><u>Nassau 2019-I Ltd.</u></b>					
CLO subordinated notes, estimated yield 0.00% due April 15, 2031 <sup>(9)(11)(12)(18)</sup>	April 11, 2019	23,500,000	12,209,486	2,820,000	
<b><u>Octagon Investment Partners 49, Ltd.</u></b>					
CLO subordinated notes, estimated yield 8.48% due January 18, 2033 <sup>(9)(11)(12)(13)(14)(18)(26)</sup>	December 11, 2020	28,875,000	20,545,372	14,019,240	
<b><u>Sound Point CLO XVI, Ltd.</u></b>					
CLO subordinated notes, estimated yield 0.00% due July 25, 2030 <sup>(9)(11)(12)(18)</sup>	August 1, 2018	45,500,000	23,465,553	5,460,000	

**PPM CLO 4, Ltd.**

CLO subordinated notes, estimated yield 25.96% due October

18, 2034<sup>(9)(11)(12)(18)</sup> September 28, 2022 7,000,000 4,020,078 4,060,000**Telos CLO 2013-3, Ltd.**

CLO subordinated notes, estimated yield 0.00% due July 17,

2026<sup>(9)(11)(12)(18)(24)</sup> January 25, 2013 14,447,790 6,207,075 1,445**Telos CLO 2013-4, Ltd.**

CLO subordinated notes, estimated yield 0.00% due January

17, 2030<sup>(9)(11)(12)(18)(24)</sup> May 20, 2015 11,350,000 5,228,852 353,246**Telos CLO 2014-5, Ltd.**

CLO subordinated notes, estimated yield 0.00% due April 17,

2028<sup>(9)(11)(12)(18)</sup> April 11, 2014 28,500,000 18,179,226 285,000**THL Credit Wind River 2012-1 CLO, Ltd.**

CLO subordinated notes, estimated yield 0.00% due January

15, 2026<sup>(9)(11)(12)(18)</sup> June 11, 2015 7,500,000 2,904,463 —**Venture XVII, Ltd.**

CLO subordinated notes, estimated yield 0.00% due April 15,

2027<sup>(9)(11)(12)(18)(24)</sup> January 27, 2017 6,200,000 2,366,366 209,689

(continued on next page)

See **Accompanying Notes**. The accompanying notes are an integral part of these financial statements.**F-8 F-15****OXFORD SQUARE CAPITAL CORP.****SCHEDULE OF INVESTMENTS — (continued)****December 31, 2022**

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL		FAIR VALUE <sup>(2)</sup>	% of Net Assets			
		AMOUNT/ SHARES	COST					
<b><u>Collateralized Loan Obligation – Equity Investments –</u></b>								
<b><u>(continued)</u></b>								
Venture XX, Ltd.								
CLO subordinated notes, estimated yield 0.00% due April 15,								
2027 <sup>(9)(11)(12)(18)(24)</sup>	July 27, 2018	\$ 3,000,000	\$ 332,779	\$ —				
Venture 35 CLO, Limited								

CLO subordinated notes, estimated yield 45.87% due October 22, 2031 <sup>(9)(11)(12)(18)</sup>	December 7, 2020	5,000,000	2,399,068	1,750,000
<b>Venture 39 CLO, Limited</b>				
CLO subordinated notes, estimated yield 21.97% due April 15, 2033 <sup>(9)(11)(12)(13)(18)(24)(26)</sup>	May 8, 2020	5,150,000	3,134,158	2,681,540
<b>West CLO 2014-1, Ltd.</b>				
CLO subordinated notes, estimated yield 0.00% due July 18, 2026 <sup>(9)(11)(12)(18)(24)</sup>	May 12, 2017	9,250,000	1,173,126	74,000
<b>Zais CLO 6, Ltd.</b>				
CLO subordinated notes, estimated yield 0.00% due July 15, 2029 <sup>(9)(11)(12)(13)(18)(26)</sup>	May 3, 2017	10,500,000	5,270,298	683,369
<b>Total Structured Finance</b>		<b>\$ 196,604,096</b>	<b>\$ 98,916,027</b>	<b>71.3%</b>
<b>Total Collateralized Loan Obligation-Equity</b>				
<b>Investments</b>		<b>\$ 196,604,096</b>	<b>\$ 98,916,027</b>	<b>71.3%</b>
<b>Common Stock</b>				
<b>IT Consulting</b>				
<b>UniTek Global Services, Inc.</b>				
common equity <sup>(7)(27)</sup>	January 13, 2015	1,244,188	\$ 684,960	\$ —
<b>Total IT Consulting</b>		<b>\$ 684,960</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Total Common Stock</b>		<b>\$ 684,960</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Preferred Stock</b>				
<b>IT Consulting</b>				
<b>UniTek Global Services, Inc.</b>				
Series B Preferred Stock <sup>(3)(17)(21)(27)</sup>	June 26, 2019	16,430,149	\$ 9,002,159	\$ —
Series B Senior Preferred Stock <sup>(3)(17)(22)(27)</sup>	June 26, 2019	8,334,223	4,535,443	500,053
Series B Super Senior Preferred Stock <sup>(3)(17)(23)(27)</sup>	June 26, 2019	4,694,835	2,614,260	3,849,765
<b>Total IT Consulting</b>		<b>\$ 16,151,862</b>	<b>\$ 4,349,818</b>	<b>3.1%</b>
<b>Total Preferred Equity</b>		<b>\$ 16,151,862</b>	<b>\$ 4,349,818</b>	<b>3.1%</b>
<b>Total Investments in Securities<sup>(8)</sup></b>		<b>\$ 511,837,819</b>	<b>\$ 314,696,915</b>	<b>226.9%</b>
<b>Cash Equivalents</b>				
First American Government Obligations Fund – Class Z Shares, 4.06% <sup>(14)(19)</sup>				
		7,345,514	\$ 7,345,514	\$ 7,345,514
<b>Total Cash Equivalents</b>		<b>\$ 7,345,514</b>	<b>\$ 7,345,514</b>	<b>5.3%</b>
<b>Total Investments in Securities and Cash Equivalents</b>				
<b>Equivalents</b>		<b>\$ 519,183,333</b>	<b>\$ 322,042,429</b>	<b>232.2%</b>

- (1) The Company generally acquires its investments in transactions not subject to registration under the Securities Act of 1933, as amended (the "Securities Act"). These investments are generally subject to restrictions as "restricted securities" (within the meaning of the Securities Act). Unless otherwise noted, all securities were acquired in transactions not subject to registration under the Securities Act.
- (2) Fair value is determined in good faith by the Board of Directors of the Company.
- (3) As of December 31, 2022, the portfolio includes \$13,958,099 principal amount of debt investments and 29,459,207 shares of preferred stock investments which contain a PIK provision.

(continued on next page)

See **Accompanying Notes**. The accompanying notes are an integral part of these financial statements.

F-9 F-16

**OXFORD SQUARE CAPITAL CORP.**

**SCHEDULE OF INVESTMENTS — (continued)**

**December 31, 2022**

- (4) Notes bear interest at variable rates and are subject to an interest rate floor where disclosed. The rate disclosed is as of December 31, 2022.
- (5) Cost value reflects accretion of original issue discount or market discount, or amortization of premium.
- (6) Cost value reflects repayment of principal.
- (7) Common stock investments were non-income producing as of December 31, 2022.
- (8) Aggregate gross unrealized appreciation for U.S. federal income tax purposes is \$1,358,009; aggregate gross unrealized depreciation for U.S. federal income tax purposes is \$223,179,960. Net unrealized depreciation is \$221,821,951 based upon an estimated tax cost basis of \$536,518,866 as of December 31, 2022.
- (9) Cost reflects accretion of effective yield less any cash distributions received or entitled to be received from CLO equity investments.
- (10) The principal balance outstanding for this debt investment, in whole or in part, is indexed to 180-day LIBOR.
- (11) Indicates assets that the Company believes do not represent "qualifying assets" under Section 55(a) of the 1940 Act. The Company may include CLO equity side letter related investments within CLO equity subordinated notes line items, and those side letter related investments may represent qualifying assets under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70% of the Company's total assets at the time of acquisition of any additional non-qualifying assets. As of December 31, 2022, the Company held qualifying assets that represented 70.1% of its total assets.
- (12) Investment not domiciled in the United States.
- (13) Fair value includes the Company's interest in subordinated fee notes, and represents discounted cash flows associated with fees earned from CLO equity investments.
- (14) Aggregate investments represent greater than 5% of net assets.
- (15) The principal balance outstanding for this debt investment, in whole or in part, is indexed to 30-day LIBOR.
- (16) The principal balance outstanding for this debt investment, in whole or in part, is indexed to 90-day LIBOR.
- (17) As of December 31, 2022, this debt or preferred equity investment was on non-accrual status and no interest or dividend income has been recognized on this investment during the year ended December 31, 2022. The aggregate fair value of these investments was approximately \$4.5 million.
- (18) The CLO subordinated notes and income notes are considered equity positions in CLO vehicles. Equity investments are entitled to recurring distributions which are generally equal to the remaining cash flow of the payments made by the underlying fund's securities less contractual payments to debt holders and fund expenses. The estimated yield indicated is based on the prior quarters ending investment cost (for previously existing portfolio investments) or the original cost for those investments made during the current quarter, as well as, a current projection of the future cash flows. Such projections are periodically reviewed and adjusted, and the estimated yield may not ultimately be realized.
- (19) Represents cash equivalents held in money market accounts as of December 31, 2022.
- (20) The fair value of the investment was determined using significant unobservable inputs. See "Note 3. Fair Value."
- (21) The Company holds preferred stock in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 13.5% per annum payable in additional shares.
- (22) The Company holds preferred stock in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 19.0% per annum payable in additional shares.
- (23) The Company holds preferred stock in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 20.0% per annum payable in additional shares.
- (24) The investment is co-invested with the Company's affiliates. See "Note 7. Related Party Transactions."
- (25) The principal balance outstanding for this debt investment, in whole or in part, is indexed to 180-day SOFR.
- (26) Cost value reflects amortization.

(continued on next page)

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

F-10 F-17

OXFORD SQUARE CAPITAL CORP.

SCHEDULE OF INVESTMENTS — (continued)

December 31, 2022

(27) These investments are deemed to be an "affiliate," as defined in the Investment Company Act of 1940 (the "1940 Act"). In general, under the 1940 Act, we would be presumed to "control" a portfolio company if we owned 25% or more of its voting securities and would be an "affiliate" of a portfolio company if we owned between 5% and 25% of its voting securities. We do not "control" any of our portfolio companies. Fair value as of December 31, 2022 and 2021 along with transactions during the year ended December 31, 2022 in these affiliated investments are as follows:

Name of Issuer	Title of Issue	Amount of					
		Interest or Dividends	Fair Value as of December 31,	Gross Additions <sup>(b)</sup>	Gross Reductions <sup>(c)</sup>	Net Unrealized Appreciation	Fair Value as of December 31,
		Credited to Income <sup>(a)</sup>	2021				2022
<b>AFFILIATED INVESTMENT:</b>							
UniTek Global Systems, Inc	Common Stock	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
	Series B Preferred						
	Stock	—	—	—	—	—	—
	Series B Senior						
	Preferred Stock	—	—	—	—	500,053	500,053
	Series B Super						
	Senior Preferred						
	Stock	—	772,491	—	—	3,077,274	3,849,765
Total Affiliated Investment		—	772,491	—	—	3,577,327	4,349,818
<b>Total Control Investment</b>							
<b>TOTAL CONTROL AND</b>							
<b>AFFILIATED INVESTMENTS</b>		\$ —	\$ 772,491	\$ —	\$ —	\$ 3,577,327	\$ 4,349,818

(a) Represents the total amount of interest or distributions credited to income for the portion of the year an investment was an affiliate investment.

(b) Gross additions include increases in investments resulting from new portfolio investments, paid-in-kind interest or dividends, the amortization of discounts and fees. For the year ended December 31, 2022, a total of approximately \$4.3 million of paid-in-kind dividends were entitled to be received yet deemed uncollectible.

(c) Gross reductions include decreases in investments resulting from principal collections related to investment repayments or sales, the amortization of premiums and acquisition costs.

(28) As part of a restructuring completed on September 17, 2021, a portion of the Company's investment in the first lien senior secured notes of Premiere Global Services, Inc. was converted into a like amount of a new revolving credit facility (the "Replacement Revolver"). On December 15, 2022, the maturity date of the Replacement Revolver was amended from December 16, 2022 to January 31, 2023. The cost basis of the Replacement Revolver was established by allocating a portion of the cost basis from the first lien senior secured notes pro-rata based on the amount of principal that was converted from the first lien senior secured notes to the Replacement Revolver. The Replacement Revolver has no unfunded commitment and is in non-accrual status as of December 31, 2022. On March 15, 2023, the maturity date of the Replacement Revolver was amended to April 7, 2023, however as of December 31, 2022, the maturity date was January 31, 2023.

(29) Note bears interest at 5.50%, plus the greater of: the Wall Street Journal quoted Prime Rate, Federal Funds effective rate plus 1.00%, or the one-month reserve adjusted Eurodollar Base Rate plus 1.00%. The rate disclosed is as of December 31, 2022.

(30) The principal balance outstanding for this debt investment, in whole or in part, is indexed to 90-day SOFR.

(31) The principal balance outstanding for this debt investment, in whole or in part, is indexed to 30-day SOFR.

(32) The amended stated maturity date is June 8, 2023, however, a springing maturity date of September 9, 2021 is in effect as of December 31, 2022.

See Accompanying Notes.

F-11

**OXFORD SQUARE CAPITAL CORP.**

**SCHEDULE OF INVESTMENTS**

**December 31, 2021**

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	FAIR COST	VALUE <sup>(2)</sup>	% of Net Assets
<b>Senior Secured Notes</b>					
<b>Business Services</b>					
<b>Access CIG, LLC</b>					
second lien senior secured notes, 7.84% (LIBOR + 7.75%), (0.00% floor) due February 27, 2026 <sup>(4)(5)(14)(15)</sup>	February 14, 2018	\$ 16,754,000	\$ 16,818,779	\$ 16,696,366	
<b>ConvergeOne Holdings, Inc.</b>					
first lien senior secured notes, 5.10% (LIBOR + 5.00%), (0.00% floor) due January 4, 2026 <sup>(4)(5)(6)(14)(15)</sup>	June 4, 2021	5,349,653	5,294,704	5,230,142	
second lien senior secured notes, 8.60% (LIBOR + 8.50%), (0.00% floor) due January 4, 2027 <sup>(4)(5)(14)(15)</sup>	June 3, 2021	15,000,000	14,370,373	14,400,000	
<b>Convergint Technologies, LLC</b>					
second lien senior secured notes, 7.50% (LIBOR + 6.75%), (0.75% floor) due March 29, 2029 <sup>(4)(5)(15)</sup>	March 18, 2021	11,000,000	10,948,877	11,027,500	
<b>OMNIA Partners, Inc.</b>					
second lien senior secured notes, 7.72% (LIBOR + 7.50%), (0.00% floor) due May 22, 2026 <sup>(4)(5)(6)(14)(16)</sup>	May 17, 2018	13,813,403	13,770,324	13,744,336	
<b>Premiere Global Services, Inc.</b>					
first lien senior secured notes, 8.75% (Prime Rate + 5.50%) due June 8, 2023 <sup>(4)(5)(17)(29)</sup>	October 1, 2019	11,821,914	11,469,896	—	
replacement revolver, 8.75% (Prime Rate + 5.50%) due March 31, 2022 <sup>(4)(5)(17)(28)(29)</sup>	October 1, 2019	2,452,012	2,378,999	1,324,086	
second lien senior secured notes, 0.50% Cash, 10.00% PIK (LIBOR + 9.00%) (1.00% floor) due June 6, 2024 <sup>(3)(4)(5)(10)(17)</sup>	October 1, 2019	12,581,734	9,817,795	—	
<b>RSA Security, LLC</b>					
second lien senior secured notes, 8.50% (LIBOR + 7.75%), (0.75% floor) due April 27, 2029 <sup>(4)(5)(14)(16)</sup>	April 16, 2021	15,000,000	14,747,914	13,774,950	

<b>Verifone Systems, Inc.</b>						
first lien senior secured notes, 4.18% (LIBOR + 4.00%), (0.00% floor) due August 20, 2025 <sup>(4)(5)(6)(14)(16)</sup>	June 17, 2020	12,698,474	12,092,596	12,507,997		
<b>Total Business Services</b>			<b>\$ 111,710,257</b>	<b>\$ 88,705,377</b>		<b>36.3%</b>
<b>Diversified Insurance</b>						
<b>Affinion Insurance Solutions, Inc. (f/k/a AIS Intermediate, LLC)</b>						
first lien senior secured notes, 5.13% (LIBOR + 5.00%), (0.00% floor) due August 15, 2025 <sup>(4)(5)(6)(14)(16)</sup>	January 7, 2021	\$ 15,209,069	\$ 14,799,137	\$ 14,904,888		

(continued on next page)

See Accompanying Notes.

F-12

### OXFORD SQUARE CAPITAL CORP.

#### SCHEDULE OF INVESTMENTS — (continued)

December 31, 2021

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>	% of Net Assets
<b>Senior Secured Notes – (continued)</b>					
<b>AmeriLife Group LLC</b>					
second lien senior secured notes, 9.50% (LIBOR + 8.50%), (1.00% floor) due March 20, 2028 <sup>(4)(5)(16)</sup>	March 18, 2020	\$ 11,000,000	\$ 10,814,660	\$ 11,000,000	
<b>Total Diversified Insurance</b>			<b>\$ 25,613,797</b>	<b>\$ 25,904,888</b>	<b>10.6%</b>
<b>Healthcare</b>					
<b>Careismatic Brands, Inc. (f/k/a New Trojan Parent, Inc.)</b>					
second lien senior secured notes, 7.75% (LIBOR + 7.25%), (0.50% floor) due January 5, 2029 <sup>(4)(5)(16)</sup>	January 22, 2021	\$ 12,000,000	\$ 11,937,974	\$ 11,880,000	
<b>HealthChannels, Inc. (f/k/a ScribeAmerica, LLC)</b>					
first lien senior secured notes, 4.60% (LIBOR + 4.50%), (0.00% floor) due April 3, 2025 <sup>(4)(5)(6)(14)(15)</sup>	October 31, 2018	19,223,362	18,857,030	17,493,259	
<b>Keystone Acquisition Corp.</b>					
first lien senior secured notes, 6.25% (LIBOR + 5.25%), (1.00% floor) due May 1, 2024 <sup>(4)(5)(6)(14)(15)</sup>	May 10, 2017	7,305,279	7,291,908	7,232,226	
second lien senior secured notes, 10.25% (LIBOR + 9.25%), (1.00% floor) due May 1, 2025 <sup>(4)(5)(14)(15)</sup>	May 10, 2017	13,000,000	12,914,004	12,480,000	

**Viant Medical Holdings, Inc.**

first lien senior secured notes, 3.85% (LIBOR + 3.75%), (0.00% floor) due

July 2, 2025<sup>(4)(5)(6)(14)(15)</sup> June 26, 2018 \$ 9,675,000 \$ 9,673,178 \$ 9,142,875

second lien senior secured notes, 7.85% (LIBOR + 7.75%), (0.00% floor) due

July 2, 2026<sup>(4)(5)(14)(15)</sup> June 26, 2018 \$ 5,000,000 \$ 4,966,563 \$ 4,747,500

**Total Healthcare**

\$ 65,640,657 \$ 62,975,860 25.7%

**Plastics Manufacturing****Spectrum Holdings III Corp. (f/k/a KPEX Holdings, Inc.)**

first lien senior secured notes, 4.25% (LIBOR + 3.25%), (1.00% floor) due January 31, 2025<sup>(4)(5)(6)(10)(14)</sup>

June 24, 2020 \$ 12,971,109 \$ 12,301,815 \$ 12,659,024

**Total Plastics Manufacturing**

\$ 12,301,815 \$ 12,659,024 5.2%

**Software****Aspect Software, Inc.**

first lien senior secured notes, 6.00% (LIBOR + 5.25%), (0.75% floor) due

May 8, 2028<sup>(4)(5)(6)(14)(16)</sup> May 18, 2021 \$ 7,960,000 \$ 7,837,526 \$ 7,800,800

second lien senior secured notes, 9.75% (LIBOR + 9.00%), (0.75% floor) due

May 7, 2029<sup>(4)(5)(14)(16)</sup> May 3, 2021 \$ 7,000,000 \$ 6,798,492 \$ 6,877,500

*(continued on next page)*

**See Accompanying Notes.**

**F-13**

**OXFORD SQUARE CAPITAL CORP.**

**SCHEDULE OF INVESTMENTS — (continued)**

**December 31, 2021**

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>	% of Net Assets
<b>Senior Secured Notes – (continued)</b>					
<b>Help/Systems Holdings, Inc.</b>					
second lien senior secured notes, 7.50%					
(LIBOR + 6.75%), (0.75% floor) due November 19, 2027 <sup>(4)(5)</sup>					
(16)	October 14, 2021	\$ 8,000,000	\$ 8,011,787	\$ 7,973,360	
<b>Magenta Buyer LLC (f/k/a McAfee Enterprise)</b>					

second lien senior secured notes, 9.00% (LIBOR + 8.25%), (0.75% floor) due July 27, 2029 <sup>(4)(5)(16)</sup>	October 20, 2021	10,000,000	9,937,500	9,909,400
<b>Quest Software, Inc.</b>				
first lien senior secured notes, 4.38% (LIBOR + 4.25%), (0.00% floor) due May 16, 2025 <sup>(4)(5)(14)(16)</sup>	August 17, 2021	4,987,147	4,987,147	4,977,821
second lien senior secured notes, 8.38% (LIBOR + 8.25%), (0.00% floor) due May 18, 2026 <sup>(4)(5)(14)(16)</sup>	May 17, 2018	13,353,672	13,244,239	13,325,896
<b>Total Software</b>		<b>\$ 50,816,691</b>	<b>\$ 50,864,777</b>	<b>20.8%</b>
<b>Telecommunications Services</b>				
<b>Global Tel Link Corp.</b>				
second lien senior secured notes, 8.35% (LIBOR + 8.25%), (0.00% floor) due November 29, 2026 <sup>(4)(5)(14)(15)</sup>	November 20, 2018	\$ 17,000,000	\$ 16,786,527	\$ 15,810,000
<b>Total Telecommunication Services</b>		<b>\$ 16,786,527</b>	<b>\$ 15,810,000</b>	<b>6.5%</b>
<b>Utilities</b>				
<b>CLEAResult Consulting, Inc.</b>				
second lien senior secured notes, 7.35% (LIBOR + 7.25%), (0.00% floor) due August 10, 2026 <sup>(4)(5)(15)</sup>	August 3, 2018	\$ 7,650,000	\$ 7,664,823	\$ 7,535,250
<b>Total Utilities</b>		<b>\$ 7,664,823</b>	<b>\$ 7,535,250</b>	<b>3.1%</b>
<b>Total Senior Secured Notes</b>		<b>\$ 290,534,567</b>	<b>\$ 264,455,176</b>	<b>108.1%</b>
<b>Collateralized Loan Obligation – Equity Investments</b>				
<b>Structured Finance</b>				
<b>Atlas Senior Loan Fund XI, Ltd.</b>				
CLO subordinated notes, estimated yield 5.65% due July 26, 2031 <sup>(9)(11)(12)(18)(24)</sup>	April 5, 2019	\$ 5,725,000	\$ 3,520,119	\$ 2,519,000
<b>Babson CLO Ltd. 2015-I</b>				
CLO subordinated notes, estimated yield 16.59% due January 21, 2031 <sup>(9)(11)(12)(18)</sup>	July 26, 2018	8,512,727	3,105,278	2,894,327
<b>BlueMountain CLO 2014-2 Ltd.</b>				
CLO subordinated notes, estimated yield 6.80% due October 20, 2030 <sup>(9)(11)(12)(18)</sup>	April 3, 2019	6,374,000	2,456,332	1,912,200
<b>Carlyle Global Market Strategies CLO 2013-2, Ltd.</b>				

CLO subordinated notes, estimated yield 0.00% due January 18, 2029 <sup>(9)(11)(12)(18)(24)</sup>	March 19, 2013	6,250,000	893,030	362,500
<b>Carlyle Global Market Strategies CLO</b>				
2021-6, Ltd. CLO subordinated notes, estimated yield 15.69% due July 17, 2034 <sup>(9)(11)(12)(14)(18)</sup>	June 30, 2021	44,600,000	36,247,915	33,896,000

(continued on next page)

See Accompanying Notes.

F-14

**OXFORD SQUARE CAPITAL CORP.**

**SCHEDULE OF INVESTMENTS — (continued)**

**December 31, 2021**

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>	% of Net Assets
<b>Collateralized Loan Obligation – Equity</b>					
<b>Investments – (continued)</b>					
<b>Cedar Funding II CLO, Ltd.</b>					
CLO subordinated notes, estimated yield 11.40% due April 20, 2034 <sup>(9)(11)(12)(18)</sup>	October 23, 2013	\$ 18,000,000	\$ 11,676,216	\$ 10,260,000	
<b>Cedar Funding VI CLO, Ltd.</b>					
CLO subordinated notes, estimated yield 12.33% due April 20, 2034 <sup>(9)(11)(12)(18)</sup>	May 15, 2017	7,700,000	7,009,789	6,391,000	
<b>CIFC Funding 2014-3, Ltd.</b>					
CLO subordinated notes, estimated yield 4.63% due October 22, 2031 <sup>(9)(11)(12)(18)(24)</sup>	January 24, 2017	10,000,000	4,850,026	3,700,000	
<b>Dryden 43 Senior Loan Fund</b>					
CLO subordinated notes, estimated yield 16.53% due April 20, 2034 <sup>(9)(11)(12)(18)</sup>	June 1, 2021	10,000,000	6,859,319	6,700,000	
<b>Madison Park Funding XVIII, Ltd.</b>					
CLO subordinated notes, estimated yield 33.51% due October 21, 2030 <sup>(9)(11)(12)(18)(24)</sup>	May 22, 2020	12,500,000	5,250,699	7,250,000	
<b>Madison Park Funding XIX, Ltd.</b>					
CLO subordinated notes, estimated yield 13.93% due January 22, 2028 <sup>(9)(11)(12)(18)(24)</sup>	May 11, 2016	5,422,500	3,613,896	3,416,175	

<b>Nassau 2019-I Ltd.</b>					
CLO subordinated notes, estimated yield 10.07% due April 15,					
2031 <sup>(9)(11)(12)(18)</sup>	April 11, 2019	23,500,000	15,446,642	11,515,000	
<b>Octagon Investment Partners 45, Ltd.</b>					
CLO subordinated notes, estimated yield 36.89% due October					
15, 2032 <sup>(9)(11)(12)(18)</sup>	May 13, 2020	3,750,000	2,358,736	3,377,590	
<b>Octagon Investment Partners 49, Ltd.</b>					
CLO subordinated notes, estimated yield 15.28% due January					
18, 2033 <sup>(9)(11)(12)(14)(18)</sup>	December 11, 2020	28,875,000	21,171,591	21,152,987	
<b>Sound Point CLO XVI, Ltd.</b>					
CLO subordinated notes, estimated yield 0.00% due July 25,					
2030 <sup>(9)(11)(12)(14)(18)</sup>	August 1, 2018	45,500,000	29,498,848	19,110,000	
<b>Telos CLO 2013-3, Ltd.</b>					
CLO subordinated notes, estimated yield 0.00% due July					
17, 2026 <sup>(9)(11)(12)(18)(24)</sup>	January 25, 2013	14,447,790	6,237,524	1,256,958	
<b>Telos CLO 2013-4, Ltd.</b>					
CLO subordinated notes, estimated yield 0.00% due January					
17, 2030 <sup>(9)(11)(12)(18)(24)</sup>	May 20, 2015	11,350,000	5,860,520	1,974,793	
<b>Telos CLO 2014-5, Ltd.</b>					
CLO subordinated notes, estimated yield 0.00% due April 17,					
2028 <sup>(9)(11)(12)(18)</sup>	April 11, 2014	28,500,000	18,179,226	3,990,000	
<b>THL Credit Wind River 2012-1 CLO, Ltd.</b>					
CLO subordinated notes, estimated yield 0.00% due January					
15, 2026 <sup>(9)(11)(12)(18)</sup>	June 11, 2015	7,500,000	2,904,463	22,500	
<b>Venture XVII, Ltd.</b>					
CLO subordinated notes, estimated yield 0.00% due April 15,					
2027 <sup>(9)(11)(12)(18)(24)</sup>	January 27, 2017	6,200,000	2,701,926	952,250	

(continued on next page)

See Accompanying Notes.

F-15

OXFORD SQUARE CAPITAL CORP.

**SCHEDULE OF INVESTMENTS — (continued)**

**December 31, 2021**

<b>COMPANY/INVESTMENT<sup>(1)(2)</sup></b>	<b>ACQUISITION DATE</b>	<b>PRINCIPAL AMOUNT/SHARES</b>	<b>COST</b>	<b>FAIR VALUE<sup>(2)</sup></b>	<b>% of Net Assets</b>
<b><u>Collateralized Loan Obligation – Equity</u></b>					
<b><u>Investments – (continued)</u></b>					
<b>Venture XX, Ltd.</b>					
CLO subordinated notes, estimated yield 0.00% due April 15,					
2027 <sup>(9)(11)(12)(18)(24)</sup>	July 27, 2018	\$ 3,000,000	\$ 1,145,750	\$ 690,000	
<b><u>Venture 35 CLO, Limited</u></b>					
CLO subordinated notes, estimated yield 17.90% due October 22, 2031 <sup>(9)(11)(12)(18)</sup>	December 7, 2020	5,000,000	2,422,726	2,600,000	
<b><u>Venture 39 CLO, Limited</u></b>					
CLO subordinated notes, estimated yield 20.76% due April 15,					
2033 <sup>(9)(11)(12)(18)</sup>	May 8, 2020	5,150,000	3,016,229	3,914,000	
<b><u>West CLO 2014-1, Ltd.</u></b>					
CLO subordinated notes, estimated yield 0.00% due July 18,					
2026 <sup>(9)(11)(12)(18)(24)</sup>	May 12, 2017	9,250,000	1,359,343	231,250	
<b><u>Westcott Park CLO, Ltd.</u></b>					
CLO subordinated notes, estimated yield 0.00% due July 20,					
2028 <sup>(9)(11)(12)(18)</sup>	September 16, 2020	19,000,000	—	665,000	
<b><u>Zais CLO 6, Ltd.</u></b>					
CLO subordinated notes, estimated yield 0.00% due July 15,					
2029 <sup>(9)(11)(12)(18)</sup>	May 3, 2017	10,500,000	6,391,137	3,045,000	
<b><u>CLO Equity Side Letter Related</u></b>					
<b>Investments<sup>(11)(12)(13)(25)(26)</sup></b>		<b>500,785</b>	<b>1,785,011</b>		
<b>Total Structured Finance</b>		<b>\$ 204,678,065</b>	<b>\$ 155,583,541</b>	<b>63.6%</b>	
<b>Total Collateralized Loan Obligation – Equity Investments</b>		<b>\$ 204,678,065</b>	<b>\$ 155,583,541</b>	<b>63.6%</b>	
<b><u>Common Stock</u></b>					
<b>IT Consulting</b>					
<b>UniTek Global Services, Inc.</b>					
Common equity <sup>(7)(27)</sup>	January 13, 2015	1,244,188	\$ 684,960	\$ —	
<b>Total IT Consulting</b>			<b>\$ 684,960</b>	<b>\$ —</b>	<b>0.0%</b>
<b>Total Common Stock</b>			<b>\$ 684,960</b>	<b>\$ —</b>	<b>0.0%</b>

<b>Preferred Stock</b>					
<b>IT Consulting</b>					
<b>UniTek Global Services, Inc.</b>					
Series B Preferred Stock <sup>(3)(17)(21)(27)</sup>	June 26, 2019	14,387,303	\$ 9,002,159	\$ —	—
Series B Senior Preferred Stock <sup>(3)(17)(22)(27)</sup>	June 26, 2019	6,922,278	4,535,443	—	—
Series B Super Senior Preferred Stock <sup>(3)(17)(23)(27)</sup>	June 26, 2019	3,862,453	2,614,260	772,491	
<b>Total IT Consulting</b>			<b>\$ 16,151,862</b>	<b>\$ 772,491</b>	<b>0.3%</b>
<b>Total Preferred Equity</b>			<b>\$ 16,151,862</b>	<b>\$ 772,491</b>	<b>0.3%</b>
<b>Total Investments in Securities<sup>(8)</sup></b>			<b>\$ 512,049,454</b>	<b>\$ 420,811,208</b>	<b>172.0%</b>
<b>Cash Equivalents</b>					
First American Government Obligations Fund <sup>(19)</sup>			\$ 8,398,154	\$ 8,398,154	
<b>Total Cash Equivalents</b>			<b>\$ 8,398,154</b>	<b>\$ 8,398,154</b>	<b>3.4%</b>
<b>Total Investments in Securities and Cash Equivalents</b>			<b>\$ 520,447,608</b>	<b>\$ 429,209,362</b>	<b>175.4%</b>

(1) The Company generally acquires its investments in private transactions exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). These investments accompanying notes are generally subject to certain limitations on resale, and may be deemed to be "restricted securities" under the Securities Act.

(2) Fair value is determined in good faith by the Board of Directors of the Company.

(continued on next page)

See Accompanying Notes.

F-16

**OXFORD SQUARE CAPITAL CORP.**

**SCHEDULE OF INVESTMENTS — (continued)**

**December 31, 2021**

(3) As of December 31, 2021, the portfolio includes \$12,581,734 principal amount of debt investments and 25,172,034 shares of preferred stock investments which contain a PIK provision.

(4) Notes bear interest at variable rates and are subject to an interest rate floor where disclosed. The rate disclosed is as of December 31, 2021.

(5) Cost value reflects accretion of original issue discount or market discount, or amortization of premium.

(6) Cost value reflects repayment of principal.

(7) Non-income producing at the relevant period end.

(8) Aggregate gross unrealized appreciation for U.S. federal income tax purposes is \$8,904,045; aggregate gross unrealized depreciation for U.S. federal income tax purposes is \$115,478,576. Net unrealized depreciation is \$106,574,531 based upon an estimated tax cost basis of \$527,385,739 as of December 31, 2021.

(9) Cost reflects accretion of effective yield less any cash distributions received or entitled to be received from CLO equity investments.

(10) The principal balance outstanding for this debt investment, in whole or in integral part is indexed to 180-day LIBOR.

(11) Indicates assets that the Company believes do not represent "qualifying assets" under Section 55(a) of the 1940 Act. Qualifying assets must represent at least 70% of the Company's total assets at the time of acquisition of any additional non-qualifying assets. As of December 31, 2021, the Company held qualifying assets that represented 64.1% of its total assets.

(12) Investment not domiciled in the United States.

(13) Fair value represents discounted cash flows associated with fees earned from CLO equity investments.

(14) Aggregate investments represent greater than 5% of net assets.

(15) The principal balance outstanding for this debt investment, in whole or in part, is indexed to 30-day LIBOR.

(16) The principal balance outstanding for this debt investment, in whole or in part, is indexed to 90-day LIBOR.

(17) As of December 31, 2021, this debt or preferred equity investment was on non-accrual status. The aggregate fair value of these investments was approximately \$2.1 million.

(18) The CLO subordinated notes and income notes are considered equity positions in CLO vehicles. Equity investments are entitled to recurring distributions which are generally equal to the remaining cash flow of the payments made by the underlying fund's securities less contractual payments to debt holders and fund expenses. The estimated yield indicated is based on the prior quarters ending investment cost (for previously existing portfolio investments) or the original cost for those investments made during the current quarter, as well as, a current projection of the future cash flows. Such projections are periodically reviewed and adjusted, and the estimated yield may not ultimately be realized.

(19) Represents cash equivalents held in money market accounts as of December 31, 2021.

(20) The fair value of the investment was determined using significant unobservable inputs. See "Note 3. Fair Value."

(21) The Company holds preferred stock in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 13.5% per annum payable in additional shares.

(22) The Company holds preferred stock in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 19.0% per annum payable in additional shares.

(23) The Company holds preferred stock in UniTek Global Services, Inc. that is entitled to receive cumulative preferential dividends at a rate of 20.0% per annum payable in additional shares.

(24) The investment is co-invested with the Company's affiliates. See "Note 7. Related Party Transactions."

(25) The CLO equity side letter related investments have acquisition dates from October 2013 through December 2021.

(26) Cost value reflects amortization.

(continued on next page)

See Accompanying Notes.

F-17

**OXFORD SQUARE CAPITAL CORP.**

**SCHEDULE OF INVESTMENTS — (continued)**

**December 31, 2021**

(27) These investments are deemed to be an "affiliate," as defined in the Investment Company Act of 1940 (the "1940 Act"). In general, under the 1940 Act, we would be presumed to "control" a portfolio company if we owned 25% or more of its voting securities and would be an "affiliate" of a portfolio company if we owned between 5% and 25% of its voting securities. The Company does not "control" any of its portfolio companies. Fair value as of December 31, 2020 and December 31, 2021 along with transactions during the year ended December 31, 2021 in the Company's affiliated investment are as follows:

Name of Issuer	Title of Issue	Amount of		Fair Value			Net Change in Unrealized Depreciation	Fair Value as of December 31, 2021
		Interest or Dividends Credited to	Income <sup>(a)</sup>	as of December 31, 2020	Gross	Gross Additions <sup>(b)</sup>		
						Reductions <sup>(c)</sup>		
<b>AFFILIATED INVESTMENT:</b>								
UniTek Global Systems, Inc	Common Stock	\$	—	\$	—	\$	—	\$
	Series B Preferred Stock	—	—	—	—	—	—	—
	Series B Senior	—	—	—	—	—	—	—
	Preferred Stock	—	—	—	—	—	—	—
	Series B Super Senior	—	—	—	—	—	—	—
	Preferred Stock	—	—	—	—	—	772,491	772,491
Total Affiliated Investment		—	—	—	—	—	772,491	772,491
<b>Total Control Investment</b>		—	—	—	—	—	—	—
<b>TOTAL CONTROL AND AFFILIATED INVESTMENTS</b>								
		\$	—	\$	—	\$	—	\$
							772,491	772,491

(a) Represents the total amount of interest or distributions credited to income for the portion of the year an investment was an affiliate investment. During the year ended December 31, 2021, these securities were on non-accrual status, due to declining performance.

(b) Gross additions include increases in investments resulting from new portfolio investments, paid-in-kind interest or dividends, the amortization of discounts and fees. For the year ended December 31, 2021, a total of approximately \$3.6 million of paid-in-kind dividends were entitled to be received yet deemed uncollectible.

(c) Gross reductions include decreases in investments resulting from principal collections related to investment repayments or sales, the amortization of premiums and acquisition costs.

(28) As part of a restructuring completed on September 17, 2021, a portion of the Company's investment in the first lien senior secured notes of Premiere Global Services, Inc. was converted into a like amount of a new revolving credit facility (the "Replacement Revolver"). On December 7, 2021 the maturity date of the Replacement Revolver was amended from December 7, 2021 to March 31, 2022, compared to the maturity date of first lien senior secured notes of June 8, 2023. The cost basis of the Replacement Revolver was established by allocating a portion of the cost basis from the first lien senior secured notes pro-rata based on the amount of principal that was converted from the first lien senior secured notes to the Replacement Revolver. The Replacement Revolver has no unfunded commitment and is on non-accrual status as of December 31, 2021.

(29) Note bears interest at 5.50%, plus the greater of: the Wall Street Journal quoted Prime Rate, Federal Funds effective rate plus 1.00%, or the one-month reserve adjusted Eurodollar Base Rate plus 1.00%. The rate disclosed is as of December 31, 2021.

See Accompanying Notes. financial statements.

F-18

OXFORD SQUARE CAPITAL CORP.

STATEMENTS OF OPERATIONS

	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>INVESTMENT INCOME</b>						
From non-affiliated/non-control investments:						
Interest income – debt investments	\$ 25,234,315	\$ 17,440,229	\$ 20,252,055	\$ 33,592,166	\$ 25,234,315	\$ 17,440,229
Income from securitization vehicles and investments	17,093,203	18,691,631	15,014,000	16,796,699	17,093,203	18,691,631
Other income	790,594	1,043,153	676,450	1,435,316	790,594	1,043,153
Total investment income from non-affiliated/ non-control investments	43,118,112	37,175,013	35,942,505	51,824,181	43,118,112	37,175,013
Total investment income	43,118,112	37,175,013	35,942,505	51,824,181	43,118,112	37,175,013
<b>EXPENSES</b>						
Interest expense	12,354,392	10,495,897	7,878,906	10,825,877	12,354,392	10,495,897
Base Fee	5,903,986	6,287,173	4,525,034	4,613,664	5,903,986	6,287,173
Professional fees	1,393,116	1,910,390	1,545,279	1,426,098	1,393,116	1,910,390
Compensation expense	915,583	723,931	708,350	825,226	915,583	723,931
Director's fees	417,500	490,500	441,500	429,500	417,500	490,500
Insurance	378,804	422,805	330,746			
Insurance expense				329,892	378,804	422,805
Transfer agent and custodian fees	231,241	222,581	206,686	246,562	231,241	222,581
General and administrative	835,912	521,541	591,512			
Excise tax <sup>(1)</sup>				1,423,686	252,172	—
General and administrative <sup>(1)</sup>				638,350	583,740	521,541
Total expenses before incentive fees	22,430,534	21,074,818	16,228,013	20,758,855	22,430,534	21,074,818
Net Investment Income Incentive Fees	—	—	—	3,705,387	—	—
Capital gains incentive fees	—	—	—	—	—	—
Total incentive fees	—	—	—	3,705,387	—	—

Total expenses	22,430,534	21,074,818	16,228,013	24,464,242	22,430,534	21,074,818
Net investment income	20,687,578	16,100,195	19,714,492	27,359,939	20,687,578	16,100,195
Net change in unrealized (depreciation)/appreciation on investments:						
Non-Affiliate/non-control investments	(109,479,985)	37,699,436	(7,029,647)			
<b>NET UNREALIZED AND REALIZED (LOSSES)/GAINS</b>						
<b>ON INVESTMENT TRANSACTIONS</b>						
Net change in unrealized appreciation/(depreciation) on investments:						
Non-affiliate/non-control investments				6,198,413	(109,479,985)	37,699,436
Affiliated investments	3,577,327	772,491	(2,816,790)	926,274	3,577,327	772,491
Total net change in unrealized (depreciation)/appreciation on investments	(105,902,658)	38,471,927	(9,846,437)			
Total net change in unrealized appreciation/(depreciation) on investments.				7,124,687	(105,902,658)	38,471,927
Net realized losses:						
Non-affiliated/non-control investments...	(339,819)	(14,987,438)	(8,151,553)			
Non-affiliated/non-control investments				(17,056,245)	(339,819)	(14,987,438)
Extinguishment of debt	—	—	(5,211)	(190,353)	—	—
Total net realized losses	(339,819)	(14,987,438)	(8,156,764)	(17,246,598)	(339,819)	(14,987,438)
Net (decrease)/increase in net assets resulting from operations	\$ (85,554,899)	\$ 39,584,684	\$ 1,711,291			
Net unrealized and realized (losses)/gains				(10,121,911)	(106,242,477)	23,484,489
Net increase/(decrease) in net assets resulting from operations				\$ 17,238,028	\$ (85,554,899)	\$ 39,584,684
Net increase in net assets resulting from net investment income per common share (Basic and Diluted):	\$ 0.42	\$ 0.32	\$ 0.40	\$ 0.51	\$ 0.42	0.32
Net (decrease)/increase in net assets resulting from operations per common share (Basic and Diluted):	\$ (1.72)	\$ 0.80	\$ 0.03			
Net increase/(decrease) in net assets resulting from operations per common share (Basic and Diluted):				\$ 0.32	\$ (1.72)	0.80
Weighted average shares of common stock outstanding (Basic and Diluted):	49,757,122	49,624,851	49,477,215	53,919,104	49,757,122	49,624,851

See Accompanying Notes.

(1) Change in prior period was made to conform to the current period presentation.

The accompanying notes are an integral part of these financial statements.

OXFORD SQUARE CAPITAL CORP.

STATEMENTS OF CHANGES IN NET ASSETS

	Year Ended		Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
	Year Ended December 31, 2022	December 31, 2021			
(Decrease)/increase in net assets from operations:					
(Decrease)/increase in net assets from operations:					

Increase/(decrease) in net assets from operations:						
Net investment income	\$ 20,687,578	\$ 16,100,195	\$ 19,714,492	\$ 27,359,939	\$ 20,687,578	\$ 16,100,195
Net change in unrealized appreciation/(depreciation) on investments				7,124,687	(105,902,658)	38,471,927
Net realized losses	(339,819)	(14,987,438)	(8,156,764)	(17,246,598)	(339,819)	(14,987,438)
Net change in unrealized (depreciation)/appreciation on investments	(105,902,658)	38,471,927	(9,846,437)			
Net (decrease)/increase in net assets resulting from operations	(85,554,899)	39,584,684	1,711,291			
Net increase/(decrease) in net assets resulting from operations				17,238,028	(85,554,899)	39,584,684
Distributions to stockholders						
Distributions from net investment income	(20,897,611)	(20,842,166)	(30,265,733)	(29,503,040)	(20,897,611)	(20,842,166)
Tax return of capital distributions				—	—	—
Total distributions to stockholders	(20,897,611)	(20,842,166)	(30,265,733)	(29,503,040)	(20,897,611)	(20,842,166)
Capital share transactions:						
Issuance of common stock (net of underwriting fees and offering costs of \$0, \$0, and \$51,779, respectively)	—	—	5,821,240			
Issuance of common stock (net of underwriting fees and offering costs of \$1,305,508, \$0, and \$0, respectively)				24,018,978	—	—
Reinvestment of distributions	529,347	426,081	161,186	882,697	529,347	426,081
Net increase in net assets from capital share transactions	529,347	426,081	5,982,426	24,901,675	529,347	426,081
Total (decrease)/increase in net assets	(105,923,163)	19,168,599	(22,572,016)			
Total increase/(decrease) in net assets				12,636,663	(105,923,163)	19,168,599
Net assets at beginning of year	244,595,125	225,426,526	247,998,542	138,671,962	244,595,125	225,426,526
Net assets at end of year	\$ 138,671,962	\$ 244,595,125	\$ 225,426,526	\$ 151,308,625	\$ 138,671,962	\$ 244,595,125
Capital share activity:						
Shares issued	—	—	1,098,277	9,146,660	—	—
Shares issued from reinvestment of distributions	154,737	100,452	42,343	309,016	154,737	100,452
Net increase in capital share activity	154,737	100,452	1,140,620	9,455,676	154,737	100,452

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

F-20

#### OXFORD SQUARE CAPITAL CORP.

#### STATEMENTS OF CASH FLOWS

Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Net (decrease)/increase in net assets resulting from operations					
\$ (85,554,899)	\$ 39,584,684	\$ 1,711,291			

Adjustments to reconcile net (decrease)/increase in net assets resulting from operations to net cash provided by/(used in) operating activities:						
Net increase/(decrease) in net assets resulting from operations						\$ 17,238,028 \$ (85,554,899) \$ 39,584,684
Adjustments to reconcile net increase/(decrease) in net assets resulting from operations to net cash provided by/(used in) operating activities:						
Accretion of discounts on investments	(880,671)	(740,731)	(1,397,699)	(1,094,874)	(880,671)	(740,731)
Accretion of discount on notes payable and deferred debt issuance costs	943,405	794,417	569,436	834,005	943,405	794,417
Non-cash interest and dividend income due to PIK.	—	—	(271,034)			
Extinguishment of debt				190,353	—	—
Purchases of investments	(84,214,030)	(202,009,511)	(70,657,776)	(11,680,313)	(84,214,030)	(202,009,511)
Repayments of principal	50,015,712	24,281,080	80,361,495	15,784,948	50,015,712	24,281,080
Proceeds from the sale of investments	14,580,000	16,139,405	53,336,817	19,585,309	14,580,000	16,139,405
Net realized losses on investments	339,819	14,987,438	8,151,553	17,056,245	339,819	14,987,438
Reductions to CLO equity cost value	20,370,805	37,470,482	12,964,760	15,279,859	20,370,805	37,470,482
Net change in unrealized depreciation/(appreciation) on investments	105,902,658	(38,471,927)	9,846,437			
(Increase)/decrease in interest and distributions receivable	(428,239)	(765,218)	1,180,777			
Increase in other assets.	(170,531)	(17,871)	(73,612)			
Increase/(decrease) in accrued interest payable.	—	737,918	(154,044)			
Net change in unrealized (appreciation)/depreciation on investments				(7,124,687)	105,902,658	(38,471,927)
Increase in interest and distributions receivable				(483,692)	(428,239)	(765,218)
Increase in other assets				(274,744)	(170,531)	(17,871)
(Decrease)/increase in accrued interest payable				(11,622)	—	737,918
(Decrease)/increase in Base Fee and Net Investment Income Incentive Fee payable	(365,139)	529,009	(320,950)	(311,184)	(365,139)	529,009
(Decrease)/increase in accrued expenses	(167,162)	51,186	(197,197)			
Increase/(decrease) in accrued expenses				705,348	(167,162)	51,186
Net cash provided by/(used in) operating activities	20,371,728	(107,429,639)	95,050,254	65,692,979	20,371,728	(107,429,639)
CASH FLOWS FROM FINANCING ACTIVITIES						
Distributions paid (net of stock issued under distribution reinvestment plan of \$529,347, \$426,081 and \$161,186, respectively)	(20,368,264)	(20,416,085)	(30,104,547)			
Repayment of credit facility	—	—	(28,090,601)			
Distributions paid (net of stock issued under distribution reinvestment plan of \$882,697, \$529,347, and \$426,081, respectively)				(28,620,343)	(20,368,264)	(20,416,085)
Proceeds from issuance of notes payable – 5.50% Unsecured Notes	—	80,500,000	—	—	—	80,500,000

Debt issuance costs	—	(2,775,860)	—	—	—	(2,775,860)
Principal repayment of 6.50% Unsecured Notes				(64,370,225)	—	—
Proceeds from issuance of common stock	—	—	5,873,019	25,324,486	—	—
Underwriting fees and offering costs for the issuance of common stock	—	—	(51,779)	(1,305,508)	—	—
Net cash (used in)/provided by financing activities	(20,368,264)	57,308,055	(52,373,908)	(68,971,590)	(20,368,264)	57,308,055
Net increase/(decrease) in cash equivalents and restricted cash	3,464	(50,121,584)	42,676,346			
Cash, cash equivalents and restricted cash, beginning of year	9,015,700	59,137,284	16,460,938			
Net (decrease)/increase in cash and cash equivalents				(3,278,611)	3,464	(50,121,584)
Cash and cash equivalents, beginning of year				9,019,164	9,015,700	59,137,284
Cash and cash equivalents, end of year	\$ 9,019,164	\$ 9,015,700	\$ 59,137,284	\$ 5,740,553	\$ 9,019,164	\$ 9,015,700
<b>NON-CASH FINANCING ACTIVITIES</b>						
Value of shares issued in connection with distribution reinvestment plan	\$ 529,347	\$ 426,081	\$ 161,186	\$ 882,697	\$ 529,347	\$ 426,081
<b>SUPPLEMENTAL DISCLOSURES</b>						
Cash paid for interest	\$ 11,410,987	\$ 8,963,563	\$ 7,468,666	\$ 10,003,496	\$ 11,410,987	\$ 8,963,563
Securities sold not settled	\$ —	\$ —	\$ 950,000			
Securities purchased not settled	\$ —	\$ —	\$ 23,156,556			
Cash paid for taxes				\$ 673,686	\$ 252,172	\$ —

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

F-21

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 2023

#### NOTE 1. ORGANIZATION

Oxford Square Capital Corp. ("OXSQ", or "the Company" the "Company") was incorporated under the General Corporation Laws of the State of Maryland ("MGCL") on July 21, 2003 July21, 2003 and is a non-diversified, closed-end investment company. OXSQ has elected to be regulated as a business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). In addition, OXSQ has elected to be treated for tax purposes as a regulated investment company ("RIC"), under Subchapter M of the Internal Revenue Code of 1986, as amended (the "Code") beginning with its 2003 taxable year. The Company's investment objective is to maximize its total return, by investing primarily in corporate debt securities and collateralized loan obligation ("CLO") structured finance investments that own corporate debt securities.

OXSQ's investment activities are managed by Oxford Square Management, LLC ("Oxford Square Management"). Oxford Square Management is an investment adviser registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act"). Oxford Square Management is owned by Oxford Funds, LLC ("Oxford Funds"), its managing member, and Charles M. Royce, a member of OXSQ's Board of Directors (the "Board" or "Board of Directors") who holds a minority, non-controlling interest in Oxford Square Management. Under the investment advisory agreement with Oxford Square Management (the "Investment Advisory Agreement"), OXSQ has agreed to pay Oxford Square Management an annual base investment advisory fee (the "Base Fee") based on its gross assets as well as an incentive fee based on its performance. For further details, please refer to "Note 7. Related Party Transactions."

On July 2, 2020, the Company dissolved Oxford Square Funding 2018, LLC ("OXSQ Funding") pursuant to Delaware law by filing a certificate of cancellation with the Secretary of State in Delaware. As such, the December 31, 2022 and 2021 statements only represent the operations of the Company and do not include any consolidated entities. The Company's consolidated statements for the year ended December 31, 2020, however, included the activities of the wholly-owned OXSQ Funding subsidiary. OXSQ Funding, was a special purpose vehicle formed for the purpose of entering into a credit facility (the "Credit Facility") with Citibank, N.A. Refer to "Note 5. Borrowings" for additional information on the Company's borrowings.

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PRESENTATION

The accompanying financial statements include the accounts of the Company and its wholly-owned subsidiary, OXSQ Funding for the period during which it was held. All inter-company accounts and transactions have been eliminated upon consolidation.

The Company follows the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, Financial Services — Investment Companies.

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.

In the normal course of business, the Company enters into a variety of undertakings containing a variety of warranties and indemnifications that may expose the Company to some risk of loss. The risk of future loss arising from such undertakings, while not quantifiable, is expected to be remote.

### USE OF ESTIMATES

The financial statements have been prepared in accordance with GAAP, which requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates, and these differences could be material.

F-22

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

### CONSOLIDATION

As provided under Regulation S-X and ASC Topic 946-810, *Consolidation* ("ASC 946-810"), the Company will generally not consolidate its investment in a company other than a wholly-owned investment company or a controlled operating company whose business consists of providing services to the Company for the periods during which it was held. The Company previously consolidated OXSQ Funding in its financial statements in accordance with ASC 946-810 until it was dissolved in July 2020.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of deposits held at custodian banks, and highly liquid investments, such as money market funds, with original maturities of three months or less. The Company places its cash equivalents with financial institutions and, at times, cash held in bank accounts may exceed the Federal Deposit Insurance Corporation insured limit. Cash equivalents are classified as Level 1 assets and are included on the Company's schedule of investments. Certain cash equivalents are carried at cost or amortized cost, which approximates fair value, and investments held in money market funds are valued at net asset value ("NAV") per share.

F-22

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

### INVESTMENT VALUATION

The Company determines its investment portfolio at fair value in accordance with the provisions of ASC 820, *Fair Value Measurement* ("ASC 820") and Rule 2a-5 under the 1940 Act ("Rule 2a-5"). Estimates made in the preparation of the Company's financial statements include the valuation of investments and the related amounts of unrealized appreciation and depreciation of investments recorded. The Company believes that there is no single definitive method for determining fair value in good faith. As a result, determining fair value requires that judgment be applied to the specific facts and circumstances of each portfolio investment while employing a consistently applied valuation process for the types of investments the Company makes. The Company is required to specifically fair value each individual investment on a quarterly basis.

ASC 820-10 clarified the definition of fair value and requires companies to expand their disclosure about the use of fair value to measure assets and liabilities in interim and annual periods subsequent to initial recognition. ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820-10 also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers include: Level 1, defined as observable inputs such as quoted prices in active markets; Level 2, which includes inputs such as quoted prices for similar securities in active markets and quoted prices for identical securities in markets that are not active; and Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions. The Company considers the attributes of current market conditions on an on-going basis and has determined that due to the general illiquidity of the market for its investment portfolio, whereby little or no market data exists, all of the Company's investments are based upon Level 3 inputs as of December 31, 2022 December 31, 2023 and 2021.

December Good Faith Determinations of Fair Value, Rule 2a-5 was adopted by the SEC in December 2020 and establishes requirements for determining fair value in good faith for purposes of the 1940 Act. Our Board of Directors has adopted valuation policies and procedures that are intended to comply with Rule 2a-5. 31, 2022.

The Board of Directors determines the value of its investment portfolio each quarter. In connection with that determination, members of Oxford Square Management's portfolio management team prepare a quarterly analysis of each portfolio investment using the most recent portfolio company financial statements, forecasts and other relevant financial and operational information. The Company has and may continue to engage third-party valuation firms to provide assistance in valuing certain of its syndicated loans and bilateral investments, including related

F-23

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

## NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

equity investments, although the Board of Directors ultimately determines the appropriate valuation of each such investment. Changes in fair value, as described above, are recorded in the statements of operations as net change in unrealized appreciation/depreciation on investments.

### *Syndicated Loans (Including Senior Secured Notes)*

In accordance with ASC 820-10, the Company's valuation procedures specifically provide for the review of indicative quotes supplied by the large agent banks that make a market for each security. However, the marketplace from which the Company obtains indicative bid quotes for purposes of determining the fair value of its syndicated loan investments has shown attributes of illiquidity as described by ASC 820-10. During such periods of illiquidity, when the Company believes that the non-binding indicative bids received from agent banks for certain syndicated loan investments that it owns may not be determinative of their fair value, or when no market indicative quote is available, the Company has and may continue to engage third-party valuation firms to provide assistance in valuing certain syndicated investments that the Company owns. The third-party valuation firms may use the income or market approach in arriving at a valuation. Unobservable inputs utilized could include discount rates derived from estimated credit spreads and earnings before interest, taxes, depreciation, and amortization ("EBITDA") multiples. In addition, Oxford Square Management analyzes each syndicated loan by reviewing the portfolio company's financial statements, covenant compliance and recent trading activity in the security, if known, and other business developments related to the portfolio company. All available information, including non-binding indicative bids which may not be determinative of fair value, is presented to the Company's Valuation Committee (the "Valuation Committee") to consider in its determination of fair value. In some instances, there may be limited trading activity

**OXFORD SQUARE CAPITAL CORP.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2023****NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

in a security even though the market for the security is considered not active. In such cases, the Valuation Committee will consider the number of trades, the size and timing of each trade, and other circumstances around such trades, to the extent such information is available, in its determination of fair value. The Valuation Committee will evaluate the impact of such additional information, and factor it into its consideration of the fair value that is indicated by the analysis provided by third-party valuation firms, if any. All information is presented to the Board for its determination of fair value of these investments.

***Collateralized Loan Obligations — Debt and Equity***

The Company has acquired debt and equity positions in CLO investment vehicles and can purchase CLO warehouse facilities. These investments are special purpose financing vehicles. In valuing such investments, the Company considers the indicative prices provided by a recognized industry pricing service as a primary source, and the implied yield of such prices, supplemented by actual trades executed in the market at or around period-end, as well as the indicative prices provided by the broker who arranges transactions in such investment vehicles. The Company also considers those instances in which the record date for an equity distribution payment falls on or before the last day of the period, and the likelihood that a prospective purchaser would require a downward adjustment to the indicative price representing substantially all of the pending distribution. Additional factors include any available information on other relevant transactions including firm bids and offers in the market and information resulting from bids-wanted-in-competition. In addition, the Company considers the operating metrics of the specific investment vehicle, including compliance with collateralization tests, defaulted and restructured securities, and payment defaults, if any. In periods of illiquidity and volatility, the Company may rely more heavily on other qualities and metrics, including but not limited to, the collateral manager, time left in the reinvestment period, expected cash flows and overcollateralization ratios, instead of the Company's generated valuation yields. Oxford Square Management or the Valuation Committee may request an additional analysis by a third-party firm to assist in the valuation process of CLO investment vehicles. All information is presented to the Board for its determination of fair value of these investments.

**OXFORD SQUARE CAPITAL CORP.****NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2022****NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)*****Bilateral Investments (Including Equity)***

Bilateral investments (as defined below) for which market quotations are readily available are valued by an independent pricing agent or market maker. If such market quotations are not readily available, under the valuation procedures approved by the Board, upon the recommendation of the Valuation Committee, a third-party valuation firm will prepare valuations for each of OXSQ's bilateral investments that, when combined with all other investments in the same portfolio company, have a value as of the previous quarter of greater than or equal to 2.0% of its total assets as of the previous quarter. In addition, in those instances where a third-party valuation is prepared for a portfolio investment which meets the parameters noted above, the frequency of those third-party valuations is based upon the grade assigned to each such security under its credit grading system as follows: Grade 1, at least annually; Grade 2, at least semi-annually; Grades 3, 4, and 5, at least quarterly. Bilateral investments which do not meet the parameters above are not required to have a third-party valuation and, in those instances, a valuation analysis will be prepared by Oxford Square Management. All information is presented to the Board for its determination of fair value of these investments.

The term "Bilateral investments" means debt and equity investments directly negotiated between the Company and a portfolio company, but excludes syndicated loans (i.e., corporate loans arranged by an agent on behalf of a company, portions of which are held by multiple investors in addition to OXSQ).

Refer to "Note 3. Fair Value" in the notes to the Company's financial statements for more information on investment valuation and the Company's portfolio of investments.

---

OXFORD SQUARE CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**INVESTMENT INCOME**

*Interest Income*

Interest income is recorded on an accrual basis using the contractual rate applicable to each debt investment and includes the accretion of market discounts and/or original issue discount ("OID") and amortization of market premiums. Discounts from and premiums to par value on securities purchased are accreted/amortized into interest income over the life of the respective security using the effective yield method. The amortized cost of investments represents the original cost adjusted for the accretion of discounts and amortization of premiums, if any.

Generally, when interest and/or principal payments on a loan become past due, or if the Company otherwise does not expect the borrower to be able to service its debt and other obligations, the Company will place the loan on non-accrual status and will generally cease recognizing interest income on that loan for financial reporting purposes until all principal and interest have been brought current through payment or due to restructuring such that the interest income is deemed to be collectible. The Company generally restores non-accrual loans to accrual status when past due principal and interest is paid and, in the Company's judgment, is likely to remain current. As of December 31, 2022 and 2021, December 31, 2023, the Company had three four debt investments that were on non-accrual status. As of December 31, 2020, 2022 and 2021, the Company had two three debt investments that were on non-accrual status.

Interest income also includes a payment-in-kind ("PIK") component on certain investments in the Company's portfolio. Refer to the section below, "Payment-In-Kind," for a description of PIK income and its impact on interest income.

*Payment-In-Kind*

The Company has debt and preferred stock investments in its portfolio that contain contractual PIK provisions. PIK interest and preferred stock dividends are computed at their contractual rates and are accrued into income and recorded as interest and dividend income, respectively. The PIK amounts are added to the principal balances on the capitalization dates. Upon capitalization, the PIK portions of the investments are valued at their respective fair values. If the Company believes that a PIK is not fully expected to be realized, the PIK investment would be placed

---

F-25

OXFORD SQUARE CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

on non-accrual status. When a PIK investment is placed on non-accrual status, the accrued, uncapitalized interest or dividends would be reversed from the related receivable through interest or dividend income, respectively. PIK investments on non-accrual status are restored to accrual status once it becomes probable that such PIK will be ultimately collectible in cash. For the years ended December 31, 2022 December 31, 2023, 2022 and 2021, no PIK interest was recognized as interest income. For the year ended December 31, 2020, approximately \$271,000 of PIK interest was recognized as interest income. For years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, the Company did not recognize dividend income due to PIK on its preferred stock investments.

*Income from Securitization Vehicles and Investments*

Income from investments in the equity class securities of CLO vehicles (typically income notes or subordinated notes) is recorded using the effective interest method in accordance with the provisions of ASC 325-40, *Beneficial Interests in Securitized Financial Assets*, based upon estimated cash flows, amounts and timing, including those CLO equity investments that have not made their inaugural distribution for the relevant period end. We monitor the

expected residual payments, and effective yield is determined and updated periodically, as needed. Accordingly, investment income recognized on CLO equity securities in the statements of operations differs from both the tax-basis investment income and from the cash distributions actually received by the Company during the period.

F-25

---

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

The Company also records income on its investments in CLO warehouse facilities based on a stated rate per the underlying note purchase agreement plus accrued interest or, if there is no stated rate, then an estimated rate is calculated using a base case model projecting the timing of the ramp-up of the CLO warehouse facility. For the years ended December 31, 2023, 2022 2021 and 2020, 2021, no income was recognized related to CLO warehouse facilities. As of December 31, 2023, 2022 and 2021, the Company did not hold any investments in CLO warehouse facilities.

**Other Income**

Other income includes prepayment, amendment, and other fees earned by the Company's loan investments, distributions from fee letters and success fees associated with portfolio investments. Distributions from fee letters are an enhancement to the return on a CLO equity investment and are based upon a percentage of the collateral manager's fees above the amortized cost, and are recorded as other income when earned. The Company may also earn success fees associated with its investments in certain securitization vehicles or CLO warehouse facilities, which are contingent upon a repayment of the warehouse by a permanent CLO securitization structure; such fees are earned and recognized when the repayment is completed. The Company also earns income on its cash balance, which is swept into a money market fund at the close of business each day and then returned as cash the following business day.

**Preferred Stock Dividends**

The Company holds preferred stock investments in its portfolio that contain cumulative preferred dividends that accumulate quarterly. The Company will generally record cumulative preferred dividends as investment income when they are received or declared by the portfolio company's board of directors or upon any voluntary or involuntary liquidation, dissolution or winding up of the portfolio company, and are collectible. There were no cumulative preferred dividends recorded as dividend income during the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, as the Company deemed them to be uncollectible.

**DEFERRED DEBT ISSUANCE COSTS**

Deferred debt issuance costs consist of fees and expenses incurred in connection with the closing or amending of credit facilities and debt offerings, and are capitalized at the time of payment. These costs are amortized using the straight line method over the terms of the respective credit facilities and debt securities. The amortized expenses are included in interest expense in the Company's financial statements. The unamortized deferred debt issuance costs are included on the Company's statements of assets and liabilities as a direct deduction from the related debt liability. Upon early termination or partial principal pay down of debt, or a credit facility, the unamortized costs related to such debt are accelerated into realized losses on extinguishment of debt on the Company's statements of operations.

F-26

---

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**EQUITY OFFERING COSTS**

Equity offering costs consist of fees and expenses incurred in connection with the registration and public offer and sale of the Company's common stock, including legal, accounting and printing fees. These costs are deferred at the time of incurrence and are subsequently charged as a reduction to capital when

the offering takes place or as shares are issued. Deferred costs are periodically reviewed and expensed if the related registration is no longer active.

#### SHARE REPURCHASES

From time to time, the Board may authorize a share repurchase program under which shares are purchased in open market transactions. Since the Company is incorporated in Maryland, MGCL requires share repurchases to be accounted for as a share retirement. The cost of repurchased shares is charged against capital on the settlement date.

F-26

---

#### OXFORD SQUARE CAPITAL CORP.

#### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

##### SECURITIES TRANSACTIONS

Securities transactions are recorded on the trade date. Realized gains and losses on investments sold are recorded on the basis of specific identification. An optional redemption ("optionally redeemed") feature of a CLO allows a majority of the holders of the equity securities issued by the CLO issuer, after the end of a specified non-call period, to cause the redemption of the secured notes issued by the CLO with proceeds paid either through the liquidation of the CLO's assets or through a refinancing with new debt. The optional redemption is effectively a voluntary prepayment of the secured debt issued by the CLO prior to the stated maturity of such debt. Distributions received on CLO equity investments where the optional redemption feature has been exercised are first applied to the remaining cost basis until it is reduced to zero, after which distributions are recorded as realized gains.

##### SECURITIES SOLD UNDER AGREEMENT TO REPURCHASE

The Company has previously entered into an agreement whereby it may sell securities to be repurchased at an agreed-upon price and date. Under such an agreement, the Company will account for these transactions as collateralized financing transactions which are recorded at the contracted repurchase amount plus interest. The Company's securities sold under the agreement to repurchase are carried at cost. As of December 31, 2022 and 2021, there was no outstanding principal, or securities sold under a repurchase facility. Refer to "Note 5. Borrowings" for further details.

##### U.S. FEDERAL INCOME TAXES

The Company intends to operate so as to qualify to be taxed as a RIC under Subchapter M of the Code and, as such, to not be subject to U.S. federal income tax on the portion of its taxable income and gains timely distributed to stockholders. To qualify for RIC tax treatment, OXSQ is required to distribute at least 90% of its investment company taxable income annually, meet certain source-of-income requirements annually and certain diversification requirements quarterly and file Form 1120-RIC, as defined by the Code.

Because U.S. federal income tax regulations differ from GAAP, distributions in accordance with tax regulations may differ from net investment income and realized gains recognized for financial reporting purposes. Differences may be permanent or temporary. Permanent differences are reclassified among capital accounts in the financial statements to reflect their tax character. Temporary differences arise when certain items of income, expense, gain or loss are recognized at some time in the future. Differences in classification may also result from the treatment of short-term gains as ordinary income for tax purposes.

F-27

---

#### OXFORD SQUARE CAPITAL CORP.

#### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

#### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

The Company recognizes the tax benefits of uncertain tax positions only when the position is more likely than not to be sustained, assuming examination by tax authorities. Through December 31, 2022, December 31, 2023, management has analyzed the Company's tax positions and concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions expected to be taken in the Company's 2022 2023 tax returns. The Company identifies its major tax jurisdictions as U.S Federal and Connecticut State. the state of Connecticut. The Company did not have any uncertain tax positions that

met the recognition measurement criteria of ASC 740-10-25, *Income Taxes*, nor did the Company have any unrecognized tax benefits as of the periods presented herein. The Company's current tax year, 2021, 2020, and 2019 federal Company files tax returns remain with the Internal Revenue Service and the state of Connecticut. Generally, each of the tax years in the four-year period ended December 31, 2023 remains subject to examination by the Internal Revenue Service, taxing authorities.

For tax purposes, the cost basis of the portfolio investments as of December 31, 2022 December 31, 2023 and 2021, 2022, was approximately \$479,922,143 and \$536,518,866, and \$527,385,739, respectively.

F-27

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**NOTE 3. FAIR VALUE**

The Company's assets measured at fair value by investment type on a recurring basis as of December 31, 2022 December 31, 2023 were as follows:

Assets (\$ in millions)	Fair Value Measurements at Reporting Date Using						Fair Value Measurements at Reporting Date Using					
	Quoted Prices		Significant			Quoted Prices		Significant				
	in Active Markets for Identical Assets		Other Observable Inputs		Significant Unobservable Inputs	in Active Markets for Identical Assets		Other Observable Inputs		Significant Unobservable Inputs		
	(Level 1)	(Level 2)	(Level 1)	(Level 2)	(Level 3)	Total	(Level 1)	(Level 2)	(Level 3)	Total	(Level 1)	(Level 2)
Senior Secured Notes	\$ —	\$ —	\$ 211.4	\$ 211.4	\$ 211.4	\$ 211.4	\$ —	\$ —	\$ —	\$ 179.5	\$ 179.5	\$ 179.5
CLO Equity	—	—	98.9	98.9	98.9	98.9	—	—	—	82.2	82.2	82.2
Equity and Other Investments	—	—	4.3	4.3	4.3	4.3	—	—	—	5.3	5.3	5.3
Total Investments at fair value <sup>(1)</sup>	—	—	314.7	314.7	314.7	314.7	—	—	—	266.9	266.9	266.9
Cash equivalents	7.3	—	—	—	7.3	7.3	4.6	—	—	—	—	4.6
Total assets at fair value <sup>(1)</sup>	\$ 7.3	\$ —	\$ 314.7	\$ 322.0	\$ 4.6	\$ 322.0	\$ 4.6	\$ —	\$ —	\$ 266.9	\$ 271.5	\$ 271.5

(1) Totals may not sum due to rounding.

The Company's assets measured at fair value by investment type on a recurring basis as of December 31, 2021 December 31, 2022 were as follows:

Assets (\$ in millions)	Fair Value Measurements at Reporting Date Using						Fair Value Measurements at Reporting Date Using					
	Quoted Prices		Significant			Quoted Prices		Significant				
	in Active Markets for Identical Assets		Other Observable Inputs		Significant Unobservable Inputs	in Active Markets for Identical Assets		Other Observable Inputs		Significant Unobservable Inputs		
	(Level 1)	(Level 2)	(Level 1)	(Level 2)	(Level 3)	Total	(Level 1)	(Level 2)	(Level 3)	Total	(Level 1)	(Level 2)
Senior Secured Notes	\$ —	\$ —	\$ 264.5	\$ 264.5	\$ 264.5	\$ 264.5	\$ —	\$ —	\$ —	\$ 211.4	\$ 211.4	\$ 211.4
CLO Equity	—	—	155.6	155.6	155.6	155.6	—	—	—	98.9	98.9	98.9
Equity and Other Investments	—	—	0.8	0.8	0.8	0.8	—	—	—	4.3	4.3	4.3
Total Investments at fair value <sup>(1)</sup>	—	—	420.8	420.8	420.8	420.8	—	—	—	314.7	314.7	314.7
Cash equivalents	8.4	—	—	—	8.4	8.4	7.3	—	—	—	—	7.3
Total assets at fair value <sup>(1)</sup>	\$ 8.4	\$ —	\$ 420.8	\$ 429.2	\$ 7.3	\$ 429.2	\$ 7.3	\$ —	\$ —	\$ 314.7	\$ 322.0	\$ 322.0

(1) Totals may not sum due to rounding.

F-28

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**NOTE 3. FAIR VALUE (cont.)**

**Significant Unobservable Inputs for Level 3 Investments**

The following tables provide quantitative information about the Company's Level 3 fair value measurements as of December 31, 2022 December 31, 2023 and 2021, December 31, 2022, respectively. The Company's Valuation Policy, which was previously approved by the Board, establishes parameters for the sources and types of valuation analysis, as well as the methodologies and inputs that the Company uses in determining fair value. If the Valuation Committee or Oxford Square Management determines that additional techniques, sources or inputs are appropriate or necessary

F-28

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**NOTE 3. FAIR VALUE (cont.)**

in a given situation, such additional work will be undertaken. The tables, therefore, are not all-inclusive, but provide information on the significant Level 3 inputs that are pertinent to the Company's fair value measurements. The weighted average calculations in the tables below are based on fair values for all debt related calculations and CLO equity.

Assets (\$ in millions)	Quantitative Information about Level 3 Fair Value Measurements				Impact to Fair Value from an Increase in Input <sup>(2)</sup>	
	Fair Value as of December 31,		Valuation Techniques/ Methodologies	Unobservable Input		
	2022	2023				
Senior Secured Notes	\$ 201.4	Market quotes	NBIB <sup>(3)</sup>	42.5% – 98.0%/75.6%	NA	
	9.8	Recent transactions	Actual trade/payoff <sup>(4)</sup>	70.3% – 89.8%/78.9%	NA	
	0.2	Enterprise value <sup>(8)</sup>	Market price indicator	\$ 2.0 million	Increase	
	78.9	Market quotes	NBIB <sup>(3)</sup>	0.0% – 63.0%/26.1%	NA	
	18.6	Yield Analysis	Yield	4.5% – 19.9%/18.0%	Decrease	
	1.3	Discounted cash flow <sup>(6)</sup>	Discount rate <sup>(7)</sup>	18.4% – 23.2%/19.1%	Decrease	
CLO Equity	0.1	Liquidation Net Asset Value <sup>(10)</sup>	NBIB <sup>(3)</sup>	0.0% – 0.8%/0.5%	NA	
	4.3	Enterprise value <sup>(8)</sup>	LTM EBITDA <sup>(9)</sup>	\$ 26.5 million/ncm <sup>(5)</sup>	Increase	
			Market multiples <sup>(9)</sup>	7.75x – 8.75x/8.3x	Increase	
Total Fair Value for Level 3						
Investments <sup>(11)</sup>	\$ 314.7					

Assets (\$ in millions)	Quantitative Information about Level 3 Fair Value Measurements			Range/Weighted Average <sup>(1)</sup>	Impact to Fair Value from an Increase in Input <sup>(2)</sup>
	2022	2023	Methodologies		
Senior Secured Notes	\$ 201.4	Market quotes	NBIB <sup>(3)</sup>	42.5% – 98.0%/75.6%	NA
	9.8	Recent transactions	Actual trade/payoff <sup>(4)</sup>	70.3% – 89.8%/78.9%	NA
	0.2	Enterprise value <sup>(8)</sup>	Market price indicator	\$ 2.0 million	Increase
	78.9	Market quotes	NBIB <sup>(3)</sup>	0.0% – 63.0%/26.1%	NA
	18.6	Yield Analysis	Yield	4.5% – 19.9%/18.0%	Decrease
	1.3	Discounted cash flow <sup>(6)</sup>	Discount rate <sup>(7)</sup>	18.4% – 23.2%/19.1%	Decrease
CLO Equity	0.1	Liquidation Net Asset Value <sup>(10)</sup>	NBIB <sup>(3)</sup>	0.0% – 0.8%/0.5%	NA
	4.3	Enterprise value <sup>(8)</sup>	LTM EBITDA <sup>(9)</sup>	\$ 26.5 million/ncm <sup>(5)</sup>	Increase
			Market multiples <sup>(9)</sup>	7.75x – 8.75x/8.3x	Increase
Total Fair Value for Level 3					
Investments <sup>(11)</sup>	\$ 314.7				

Assets (\$ in millions)	Fair Value as of December 31,				Increase in Input <sup>(2)</sup>	
	2023		Valuation Techniques/ Methodologies		Unobservable Input	
Senior Secured Notes	\$ 179.0	Market quotes	NBIB <sup>(3)</sup>	10.0% – 99.8%/68.9%	NA	
	0.5	Liquidation Net Asset Value	NBIB <sup>(3)</sup>	0.0% – 20.2%/1.6%	NA	
CLO equity	70.8	Market quotes	NBIB <sup>(3)</sup>	0.0% – 61.0%/26.1%	NA	
	10.5	Yield Analysis	Yield	12.4% – 22.6%/20.2%	Decrease	
	0.8	Discounted cash flow <sup>(6)</sup>	Discount rate <sup>(7)</sup>	22.2% – 35.5%/23.6%	Decrease	
	0.0	Liquidation Net Asset Value <sup>(10)</sup>	NBIB <sup>(3)</sup>	0.0% – 0.3%/0.2%	NA	
Equity	5.3	Enterprise value <sup>(8)</sup>	LTM EBITDA <sup>(9)</sup>	\$40.3 million/ncm <sup>(5)</sup>	Increase	
			Market multiples <sup>(9)</sup>	7.3x – 8.3x/7.8x	Increase	
Total Fair Value for Level 3 Investments	<u>\$ 266.9</u>					

(1) Weighted averages are calculated based on fair value of investments.

(2) The impact on the fair value measurement of an increase in each unobservable input is in isolation. The discount rate is the rate used to discount future cash flows in a discounted cash flow calculation. An increase in the discount rate, in isolation, would result in a decrease in the fair value measurement. Market Multiples/EBITDA refer to the input (often derived from the value of a comparable company) that is multiplied by the historic and/or expected EBITDA of a company in order to estimate the company's value. An increase in the Market Multiples/EBITDA, in isolation, would result in an increase in the fair value measurement. Yield analysis refers to determining a yield through projected, discounted future cash flows. Once the yield is calculated, that yield corresponds to a specific fair value. An increase to the yield, in isolation, would result in a decrease in the fair value measurement.

(3) The Company generally uses prices provided by an independent pricing service, or broker or agent bank non-binding indicative bid prices ("NBIB"), on or near the valuation date as the primary basis for the fair value determinations for syndicated notes, and CLO debt and equity investments, which may be adjusted for pending equity distributions as of valuation date. These bid prices are non-binding, and may not be determinative of fair value. Each bid price is evaluated by the Valuation Committee in conjunction with additional information compiled by Oxford Square Management, including financial performance, recent business developments, and, in the case of CLO debt and equity investments, performance and covenant compliance information as provided by the independent trustee.

(4) Prices provided by independent pricing services are evaluated in conjunction with actual trades and payoffs and, in certain cases, the value represented by actual trades or payoffs may be more representative of fair value as determined by the Valuation Committee.

(5) The calculation of weighted average for a range of values, for a single investment within a given asset category, is not considered to provide a meaningful representation ("ncm").

(6) The Company calculates the fair value of certain CLO equity investments based upon the net present value of expected contractual payment streams discounted using estimated market yields for the equity tranche of the respective CLO vehicle. The Company also considers those investments in which the record date for an equity distribution payment falls on or before the last day of the period, and the likelihood that a prospective purchaser would require an adjustment to the transaction price representing substantially all of the pending distribution.

(7) Discount rate represents the rate at which future cash flows are discounted to calculate a present value, reflecting market assumptions for risk.

(8) Enterprise value is defined as the total value of a company, including debt and cash. For senior secured notes and equity investments, third-party valuation firms evaluate the financial and operational information of the portfolio companies that the Company provides to them, as well as independent market and industry information that they consider appropriate in forming an opinion as to the fair value of the Company's securities. In those instances where the carrying value and/

or internal credit rating of the investment does not require the use of a third-party valuation firm, a valuation is prepared by Oxford Square Management, which may include liquidation analysis or which may utilize a subsequent transaction to provide an indication of fair value.

(9) EBITDA, or earnings before interest expense, taxes, depreciation and amortization, is an unobservable input which is generally based on the most recently available twelve month financial statements provided by the portfolio company. Market multiples, also an unobservable input, represent an estimation of where market participants might value an enterprise based upon information available for comparable companies in the market. "LTM" refers to "last twelve months."

(10) The fair value of those CLO equity positions which have been optionally redeemed are generally valued using a liquidation net asset value basis which represents the estimated expected residual value of the CLO as of the end of the period.

Assets (\$ in millions)	Quantitative Information about Level 3 Fair Value Measurements					Impact to Fair Value from an Increase in Input <sup>(2)</sup>	
	Fair Value as of December 31, 2022		Valuation Techniques/ Methodologies	Unobservable Input	Range/Weighted Average <sup>(1)</sup>		
Senior Secured Notes	\$	201.4	Market quotes	NBIB <sup>(3)</sup>	42.5% – 98.0%/75.6%	NA	
		9.8	Recent transactions	Actual trade/payoff <sup>(4)</sup>	70.3% – 89.8%/78.9%	NA	
		0.2	Enterprise value <sup>(8)</sup>	Market price indicator	\$2.0 million	Increase	
		78.9	Market quotes	NBIB <sup>(3)</sup>	0.0% – 63.0%/26.1%	NA	
CLO Equity		18.6	Yield Analysis	Yield	4.5% – 19.9%/18.0%	Decrease	
		1.3	Discounted cash flow <sup>(6)</sup>	Discount rate <sup>(7)</sup>	18.4% – 23.2%/19.1%	Decrease	
		0.1	Liquidation Net Asset Value <sup>(10)</sup>	NBIB <sup>(3)</sup>	0.0% – 0.8%/0.5%	NA	
		4.3	Enterprise value <sup>(8)</sup>	LTM EBITDA <sup>(9)</sup>	\$26.5 million/ncm <sup>(5)</sup>	Increase	
Equity/Other Investments				Market multiples <sup>(9)</sup>	7.75x – 8.75x/8.3x	Increase	
Total Fair Value for Level 3 Investments <sup>(11)</sup>		\$ 314.7					

(1) Weighted averages are calculated based on fair value of investments.

(2) The impact on the fair value measurement of an increase in each unobservable input is in isolation. The discount rate is the rate used to discount future cash flows in a discounted cash flow calculation. An increase in the discount rate, in isolation, would result in a decrease in the fair value measurement. Market Multiples/EBITDA refer to the input (often derived from the value of a comparable company) that is multiplied by the historic and/or expected EBITDA of a company in order to estimate the company's value. An increase in the Market Multiples/EBITDA, in isolation, would result in an increase in the fair value measurement.

(3) The Company generally uses prices provided by an independent pricing service, or broker or agent bank non-binding indicative bid prices ("NBIB"), on or near the valuation date as the primary basis for the fair value determinations for syndicated notes, and CLO debt and equity investments, which may be adjusted for pending equity distributions as of valuation date. These bid prices are non-binding, and may not be determinative of fair value. Each bid price is evaluated by the Valuation Committee in conjunction with additional information compiled by Oxford Square Management, including financial performance, recent business developments, and, in the case of CLO debt and equity investments, performance and covenant compliance information as provided by the independent trustee.

(4) Prices provided by independent pricing services are evaluated in conjunction with actual trades and payoffs and, in certain cases, the value represented by actual trades or payoffs may be more representative of fair value as determined by the Valuation Committee.

(5) The calculation of weighted average for a range of values, for a single investment within a given asset category, is not considered to provide a meaningful representation ("ncm").

(6) The Company calculates the fair value of certain CLO equity investments based upon the net present value of expected contractual payment streams discounted using estimated market yields for the equity tranche of the respective CLO vehicle. The Company also considers those investments in which the record date for an equity distribution payment falls on or before the last day of the period, and the likelihood that a prospective purchaser would require an adjustment to the transaction price representing substantially all of the pending distribution.

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**NOTE 3. FAIR VALUE (cont.)**

(7) Discount rate represents the rate at which future cash flows are discounted to calculate a present value, reflecting market assumptions for risk.

**F-29**

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**NOTE 3. FAIR VALUE (cont.)**

(8) Enterprise value is defined as the total value of a company, including debt and cash. For senior secured notes and equity investments, third-party valuation firms evaluate the financial and operational information of the portfolio companies that the Company provides to them, as well as independent market and industry information that they consider appropriate in forming an opinion as to the fair value of the Company's securities. In those instances where the carrying value and/or internal credit rating of the investment does not require the use of a third-party valuation firm, a valuation is prepared by Oxford Square Management, which may include liquidation analysis or which may utilize a subsequent transaction to provide an indication of fair value.

(9) EBITDA, or earnings before interest expense, taxes, depreciation and amortization, is an unobservable input which is generally based on the most recently available twelve month financial statements provided by the portfolio company. Market multiples, also an unobservable input, represent an estimation of where market participants might value an enterprise based upon information available for comparable companies in the market. "LTM" refers to "last twelve months."

(10) The fair value of those CLO equity positions which have been optionally redeemed are generally valued using a liquidation net asset value basis which represents the estimated expected residual value of the CLO as of the end of the period.

(11) Totals may not sum due to rounding.

Assets (\$ in millions)	Quantitative Information about Level 3 Fair Value Measurements					Impact to Fair Value from an Increase in Input <sup>(2)</sup>	
	Fair Value as of December 31,		Valuation Techniques/ Methodologies	Unobservable Input	Range/Weighted Average <sup>(4)</sup>		
	2021						
Senior Secured Notes	\$ 230.5	Market quotes	NBIB <sup>(3)</sup>	91.0% – 100.0%/97.0%	NA		
	32.7	Recent transactions	Actual trade/payoff <sup>(4)</sup>	94.5% – 100.3%/97.9%	NA		
	1.3	Enterprise value <sup>(8)</sup>	NCY+1 EBITDA <sup>(9)</sup>	\$ 12.3 million/ncm <sup>(5)</sup>	Increase		
CLO Equity	149.1	Market quotes	NBIB <sup>(3)</sup>	8.7% – 83.0%/48.0%	NA		
	3.4	Recent transactions	Actual trade/payoff <sup>(4)</sup>	90.1%/ncm <sup>(5)</sup>	NA		
	1.8	Discounted cash flow <sup>(6)</sup>	Discount rate <sup>(7)</sup>	10.8% – 12.9%/12.5%	Decrease		
Equity/Other Investments	1.3	Liquidation Net Asset Value <sup>(10)</sup>	NBIB <sup>(3)</sup>	0.3% – 5.8%/3.1%	NA		
	0.8	Enterprise value <sup>(8)</sup>	NCY EBITDA <sup>(9)</sup>	\$ 18.1 million/ncm <sup>(5)</sup>	Increase		
			NCY+1 EBITDA <sup>(9)</sup>	\$ 25.0 million/ncm <sup>(5)</sup>	Increase		
Total Fair Value for Level 3 Investments <sup>(11)</sup>	0.8	Market multiples <sup>(9)</sup>		5.75x – 9.0x/7.4x	Increase		
	\$ 420.8						

(1) Weighted averages are calculated based on fair value of investments.

(2) The impact on the fair value measurement of an increase in each unobservable input is in isolation. The discount rate is the rate used to discount future cash flows in a discounted cash flow calculation. An increase in the discount rate, in isolation, would result in a decrease in the fair value measurement. Market Multiples/EBITDA refer to the input (often derived from the value of a comparable company) that is multiplied by the historic and/or expected EBITDA of a company in order to estimate the company's value. An increase in the Market Multiples/EBITDA, in isolation, would result in an increase in the fair value measurement.

(3) The Company generally uses prices provided by an independent pricing service, or broker or agent bank non-binding indicative bid prices ("NBIB"), on or near the valuation date as the primary basis for the fair value determinations for syndicated notes, and CLO debt and equity investments, which may be adjusted for pending equity distributions as of valuation date. These bid prices are non-binding, and may not be determinative of fair value. Each bid price is evaluated by the Valuation Committee in conjunction with additional information compiled by Oxford Square Management, including financial performance, recent business developments, and, in the case of CLO debt and equity investments, performance and covenant compliance information as provided by the independent trustee.

(4) Prices provided by independent pricing services are evaluated in conjunction with actual trades and payoffs and, in certain cases, the value represented by actual trades or payoffs may be more representative of fair value as determined by the Valuation Committee.

(5) The calculation of weighted average for a range of values, for a single investment within a given asset category, is not considered to provide a meaningful representation ("ncm").

F-30

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**NOTE 3. FAIR VALUE (cont.)**

(6) The Company calculates the fair value of certain CLO equity investments based upon the net present value of expected contractual payment streams discounted using estimated market yields for the equity tranche of the respective CLO vehicle. The Company also considers those investments in which the record date for an equity distribution payment falls on or before the last day of the period, and the likelihood that a prospective purchaser would require an adjustment to the transaction price representing substantially all of the pending distribution.

(7) Discount rate represents the rate at which future cash flows are discounted to calculate a present value, reflecting market assumptions for risk.

(8) For senior secured notes and equity investments, third-party valuation firms evaluate the financial and operational information of the portfolio companies that the Company provides to them, as well as independent market and industry information that they consider appropriate in forming an opinion as to the fair value of the Company's securities. In those instances where the carrying value and/or internal credit rating of the investment does not require the use of a third-party valuation firm, a valuation is prepared by Oxford Square Management, which may include liquidation analysis or which may utilize a subsequent transaction to provide an indication of fair value.

(9) EBITDA, or earnings before interest expense, taxes, depreciation and amortization, is an unobservable input which is generally based on the most recently available twelve month financial statements provided by the portfolio company. Market multiples, also an unobservable input, represent an estimation of where market participants might value an enterprise based upon information available for comparable companies in the market. "NCY" refers to "next calendar year."

(10) The fair value of those CLO equity positions which have been optionally redeemed are generally valued using a liquidation net asset value basis which represents the estimated expected residual value of the CLO as of the end of the period.

(11) Totals may not sum due to rounding.

**Financial Instruments Disclosed, But Not Carried, At Fair Value**

The following table presents the carrying value and fair value of the Company's financial liabilities disclosed, but not carried, at fair value as of December 31, 2023 and the level of each financial liability within the fair value hierarchy:

(\$ in millions)	Carrying		Fair		
	Value <sup>(1)</sup>	Value <sup>(2)</sup>	Level 1	Level 2	Level 3
6.25% Unsecured Notes	\$ 44.2	\$ 42.9	\$ —	\$ 42.9	\$ —
5.50% Unsecured Notes	78.7	72.5	—	72.5	—
<b>Total<sup>(3)</sup></b>	<b>\$ 123.0</b>	<b>\$ 115.4</b>	<b>\$ —</b>	<b>\$ 115.4</b>	<b>\$ —</b>

(1) Carrying value is net of unamortized deferred debt issuance costs. Unamortized deferred debt issuance costs associated with the 6.25% Unsecured Notes totaled approximately \$0.5 million as of December 31, 2023. Unamortized deferred debt issuance costs associated with the 5.50% Unsecured Notes totaled approximately

\$1.8 million as of December 31, 2023.

(2) For the 6.25% Unsecured Notes and 5.50% Unsecured Notes, fair value is based upon the closing price on the last day of the period. The 6.25% Unsecured Notes and 5.50% Unsecured Notes are listed on the NASDAQ Global Select Market (trading symbol "OXSQZ" and "OXSQG", respectively).

(3) Totals may not sum due to rounding.

The following table presents the carrying value and fair value of the Company's financial liabilities disclosed, but not carried, at fair value as of December 31, 2022 and the level of each financial liability within the fair value hierarchy:

(\$ in millions)	Carrying						Carrying				Fair			Level	
	Value <sup>(1)</sup>	Fair Value <sup>(2)</sup>	Level 1	Level 2	Level 3	Value <sup>(1)</sup>	Fair Value <sup>(2)</sup>	Level 1	Level 2	Level 3	Value <sup>(1)</sup>	Fair Value <sup>(2)</sup>	Level 1	Level 2	Level 3
6.50% Unsecured Notes	\$ 64.0	\$ 63.4	—	\$ 63.4	—	\$ 64.0	\$ 63.4	—	\$ 63.4	—	\$ 64.0	\$ 63.4	—	\$ 63.4	—
6.25% Unsecured Notes	44.0	42.6	—	42.6	—	44.0	42.6	—	42.6	—	44.0	42.6	—	42.6	—
5.50% Unsecured Notes	78.3	70.0	—	70.0	—	78.3	70.0	—	70.0	—	78.3	70.0	—	70.0	—
Total	\$ 186.3	\$ 176.0	—	\$ 176.0	—	\$ 186.3	\$ 176.0	—	\$ 176.0	—	\$ 186.3	\$ 176.0	—	\$ 176.0	—

(1) Carrying value is net of unamortized deferred debt issuance costs. Unamortized deferred debt issuance costs associated with the 6.50% Unsecured Notes totaled approximately \$0.4 million as of December 31, 2022. Unamortized deferred debt issuance costs associated with the 6.25% Unsecured Notes totaled approximately \$0.8 million as of December 31, 2022. Unamortized deferred debt issuance costs associated with the 5.50% Unsecured Notes totaled approximately \$2.2 million as of December 31, 2022.

(2) For the 6.50% Unsecured Notes, 6.25% Unsecured Notes and 5.50% Unsecured Notes, fair value is based upon the closing price on the last day of the period. The 6.50% Unsecured Notes, 6.25% Unsecured Notes and 5.50% Unsecured Notes are listed on the NASDAQ Global Select Market (trading symbol "OXSQZ", "OXSQG", and "OXSQG", respectively).

F-31

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022/2023

#### NOTE 3. FAIR VALUE (cont.)

The following table presents the carrying value and fair value of the Company's financial liabilities disclosed, but not carried, at fair value as of December 31, 2021 and the level of each financial liability within the fair value hierarchy:

(\$ in millions)	Carrying					
	Value <sup>(1)</sup>	Fair Value <sup>(2)</sup>	Level 1	Level 2	Level 3	
6.50% Unsecured Notes	\$ 63.6	\$ 65.1	—	\$ 65.1	—	—
6.25% Unsecured Notes	43.8	45.5	—	45.5	—	—
5.50% Unsecured Notes	78.0	80.7	—	80.7	—	—
Total	\$ 185.4	\$ 191.3	—	\$ 191.3	—	—

(1) Carrying value is net of unamortized deferred debt issuance costs. Unamortized deferred debt issuance costs associated with the 6.50% Unsecured Notes totaled approximately \$0.7 million as of December 31, 2021. Unamortized deferred debt issuance costs associated with the 6.25% Unsecured Notes totaled approximately \$1.0 million as of December 31, 2021. Unamortized deferred debt issuance costs associated with the 5.50% Unsecured Notes totaled approximately \$2.5 million as of December 31, 2021.

(2) For the 6.50% Unsecured Notes, 6.25% Unsecured Notes and 5.50% Unsecured Notes, fair value is based upon the closing price on the last day of the period. The 6.50% Unsecured Notes, 6.25% Unsecured Notes and 5.50% Unsecured Notes are listed on the NASDAQ Global Select Market (trading symbol "OXSQZ", "OXSQG", and "OXSQG", respectively).

A reconciliation of the fair value of investments for the year ended December 31, 2022/December 31, 2023, utilizing significant unobservable inputs, is as follows:

(\$ in millions)	Senior					Equity and			Senior				
	Secured		CLO		Other		Investments		Total <sup>(2)</sup>		Secured		
	Notes	Equity	Equity	Other	Investments	Total <sup>(2)</sup>	Notes	Equity	Equity	Total <sup>(2)</sup>	Notes	Equity	Total <sup>(2)</sup>
Balance at December 31, 2021	\$ 264.5	\$ 155.6	\$ 0.8	\$ 420.8									
Net realized losses included in earnings	—	(0.3)	—	(0.3)									
Balance at December 31, 2022							\$ 211.4	\$ 98.9	\$ 4.3	\$ 314.7			
Net realized gains/(losses) included in earnings							0.3	(17.3)	—	(17.1)			
Net unrealized (depreciation)/appreciation included in earnings	(61.0)	(48.5)	3.6	(105.9)			(13.0)	19.2	0.9	7.1			
Accretion of discount	0.9	—	—	0.9			1.1	—	—	1.1			
Purchases	57.0	27.2	—	84.2			8.2	3.5	—	11.7			
Repayments and Sales	(50.0)	(14.6)	—	(64.6)			(28.5)	(6.9)	—	(35.4)			
Reductions to CLO Equity cost value <sup>(1)</sup>	—	(20.4)	—	(20.4)			—	(15.3)	—	(15.3)			
Transfers in and/or (out) of level 3	—	—	—	—			—	—	—	—			
Balance at December 31, 2022 <sup>(2)</sup>	\$ 211.4	\$ 98.9	\$ 4.3	\$ 314.7									
Net change in unrealized depreciation on Level 3 investments still held as of December 31, 2022	\$ (61.1)	\$ (47.7)	\$ 3.6	\$ (105.2)									
Balance at December 31, 2023 <sup>(2)</sup>							\$ 179.5	\$ 82.2	\$ 5.3	\$ 266.9			
Net change in unrealized (depreciation)/appreciation on Level 3 investments still held as of December 31, 2023	\$ (13.9)	\$ 0.9	\$ 0.9	\$ (12.1)									

(1) Reduction to CLO equity cost value of approximately \$20.4 \$15.3 million represented the distributions received, or entitled to be received, on the Company's investments held in CLO equity subordinated and income notes of approximately \$32.0 million, plus the amortization of cost of the Company's CLO fee notes of approximately \$123,000, less the effective yield interest income recognized on the Company's CLO equity subordinated and income notes of approximately \$16.8 million.

(2) Totals may not sum due to rounding.

F-32

#### OXFORD SQUARE CAPITAL CORP.

#### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

##### NOTE 3. FAIR VALUE (cont.)

A reconciliation of the fair value of investments for the year ended December 31, 2022, utilizing significant unobservable inputs, is as follows:

(\$ in millions)	Senior		Equity and			Total <sup>(2)</sup>
	Secured		CLO		Other	
	Notes	Equity	Equity	Investments	Total <sup>(2)</sup>	
Balance at December 31, 2021	\$ 264.5	\$ 155.6	\$ 0.8	\$ 420.8		
Net realized losses included in earnings	—	(0.3)	—	(0.3)		
Net unrealized (depreciation)/appreciation included in earnings	(61.0)	(48.5)	3.6	(105.9)		
Accretion of discount	0.9	—	—	—	—	0.9
Purchases	57.0	27.2	—	84.2		

Repayments and Sales	(50.0)	(14.6)	—	(64.6)
Reductions to CLO Equity cost value <sup>(1)</sup>	—	(20.4)	—	(20.4)
Transfers in and/or (out) of level 3	—	—	—	—
Balance at December 31, 2022 <sup>(2)</sup>	\$ 211.4	\$ 98.9	\$ 4.3	\$ 314.7
Net change in unrealized depreciation on Level 3 investments still held as of December 31, 2022	\$ (61.1)	\$ (47.7)	\$ 3.6	\$ (105.2)

(1) Reduction to CLO equity cost value of approximately \$20.4million represented the distributions received, or entitled to be received, on the Company's investments held in CLO equity subordinated and income notes of approximately \$37.3million, plus the amortization of cost of the Company's CLO fee notes of approximately \$128,000, less the effective yield interest income recognized on the Company's CLO equity subordinated and income notes of approximately \$17.1 million.

(2) Totals may not sum due to rounding.

F-32

### OXFORD SQUARE CAPITAL CORP.

#### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

##### NOTE 3. FAIR VALUE (cont.)

A reconciliation of the fair value of investments for the year ended December 31, 2021, utilizing significant unobservable inputs, is as follows:

(\$ in millions)	Senior	Equity and			Total <sup>(2)</sup>
	Secured Notes	CLO Debt	CLO Equity	Other Investments	
Balance at December 31, 2020	\$ 172.2	\$ —	\$ 122.5	\$ —	\$ 294.7
Net realized losses included in earnings	(13.4)	—	(1.5)	—	(15.0)
Net unrealized appreciation included in earnings	4.2	—	33.5	0.8	38.5
Accretion of discount	0.7	—	—	—	0.7
Purchases	135.3	—	43.5	—	178.9
Repayments and Sales	(34.6)	—	(4.9)	—	(39.5)
Reductions to CLO Equity cost value <sup>(1)</sup>	—	—	(37.5)	—	(37.5)
Non-cash interest and dividend income due to PIK	—	—	—	—	—
Transfers in and/or (out) of level 3	—	—	—	—	—
Balance at December 31, 2021 <sup>(2)</sup>	\$ 264.5	\$ —	\$ 155.6	\$ 0.8	\$ 420.8
Net change in unrealized depreciation on Level 3 investments still held as of December 31, 2021	\$ (9.0)	\$ —	\$ 27.8	\$ 0.8	\$ 19.6

(1) Reductions to CLO equity cost value of approximately \$37.5 million represented the distributions received, or entitled to be received, on the Company's investments held in CLO equity subordinated and income notes of approximately \$55.8 million, plus the amortization of cost of the Company's CLO fee notes of approximately \$0.4 million, less the effective yield interest income recognized on the Company's CLO equity subordinated and income notes of approximately \$18.7 million.

(2) Totals may not sum due to rounding.

The following table shows the fair value of the Company's portfolio of investments by asset class as of **December 31, 2022** **December 31, 2023** and **2021**: **2022**:

(\$ in millions)	December 31, 2022		December 31, 2021		December 31, 2023		December 31, 2022	
	Investments at Fair Value	Percentage of Total Portfolio						
Senior Secured Notes	\$ 211.4	67.2%	\$ 264.5	62.8%	\$ 179.5	67.2%	\$ 211.4	67.2%
CLO Equity	98.9	31.4%	155.6	37.0%	82.2	30.8%	98.9	31.4%
Equity and Other Investments	4.3	1.4%	0.8	0.2%				
Equity					5.3	2.0%	4.3	1.4%
Total <sup>(1)</sup>	\$ 314.7	100.0%	\$ 420.8	100.0%	\$ 266.9	100.0%	\$ 314.7	100.0%

(1) Totals may not sum due to rounding.

F-33

#### OXFORD SQUARE CAPITAL CORP.

##### NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2022**

#### NOTE 4. CASH AND CASH EQUIVALENTS

At **December 31, 2022** **December 31, 2023** and **December 31, 2021** **December 31, 2022**, respectively, cash and cash equivalents were as follows:

	December 31,		December 31,		December	December	December
	2022	2021	2023	2022	2021		
Cash	\$ 1,673,650	\$ 617,546	\$ 1,160,664	\$ 1,673,650	\$ 617,546		
Cash Equivalents	7,345,514	8,398,154	4,579,889	7,345,514	8,398,154		
Total Cash and Cash Equivalents	\$ 9,019,164	\$ 9,015,700	\$ 5,740,553	\$ 9,019,164	\$ 9,015,700		

For further details regarding the composition of cash and cash equivalents, refer to "Note 2. Summary of Significant Accounting Policies."

F-33

#### OXFORD SQUARE CAPITAL CORP.

##### NOTES TO FINANCIAL STATEMENTS

**DECEMBER 31, 2023**

#### NOTE 5. BORROWINGS

In accordance with the 1940 Act, with certain limited exceptions, the Company is only allowed to borrow amounts such that its asset coverage, as defined in the 1940 Act, is at least 150% immediately after such borrowing. As of **December 31, 2022** **December 31, 2023** and **2021**, the Company's asset coverage for borrowed amounts was approximately **171%** **219%** and **227%** **171%**, respectively.

The following are the Company's outstanding principal amounts, carrying values and fair values of the Company's borrowings as of **December 31, 2022** **December 31, 2023** and **December 31, 2021** **December 31, 2022**. The fair value of the 6.50% Unsecured Notes is based upon the closing price on the last day of the period. The 6.50% Unsecured Notes are listed on the NASDAQ Global Select Market (trading symbol "OXSQ"). The fair value of the 6.25% Unsecured Notes is based upon the closing price on the last day of the period. The 6.25% Unsecured Notes are listed on the NASDAQ Global Select Market (trading symbol "OXSQZ"). The fair value of the 5.50% Unsecured Notes is based upon the closing price on the last day of the period. The 5.50% Unsecured Notes are listed on the NASDAQ Global Select Market (trading symbol "OXSQG").

(\$ in millions)	As of						As of					
	December 31, 2022			December 31, 2021			December 31, 2023			December 31, 2022		
	Principal Amount	Carrying Value <sup>(1)</sup>	Fair Value									
6.50% Unsecured Notes	\$ 64.4	\$ 64.0	\$ 63.4	\$ 64.4	\$ 63.6	\$ 65.1	—	—	—	\$ 64.4	\$ 64.0	\$ 63.4
6.25% Unsecured Notes	44.8	44.0	42.6	44.8	43.8	45.5	44.8	44.2	42.9	44.8	44.0	42.6
5.50% Unsecured Notes	80.5	78.3	70.0	80.5	78.0	80.7	80.5	78.7	72.5	80.5	78.3	70.0
Total (2)	\$ 189.7	\$ 186.3	\$ 176.0	\$ 189.7	\$ 185.4	\$ 191.3	\$ 125.3	\$ 123.0	\$ 115.4	\$ 189.7	\$ 186.3	\$ 176.0

(1) The Carrying Value represents the aggregate principal amount outstanding less the unamortized deferred issuance costs. As of December 31, 2023, the total unamortized deferred issuance costs for the 6.25% Unsecured Notes, and 5.50% Unsecured Notes was approximately \$0.5 million, and \$1.8 million, respectively. As of December 31, 2022, the total unamortized deferred issuance costs for the 6.50% Unsecured Notes, 6.25% Unsecured Notes, and 5.50% Unsecured Notes was approximately \$0.4 million, \$0.8 million, and \$2.2 million, respectively. As of December 31, 2021, the total unamortized deferred issuance costs for the 6.50% Unsecured Notes, 6.25% Unsecured Notes, and 5.50% Unsecured Notes was approximately \$0.7 million, \$1.0 million, and \$2.5 million, respectively.

(2) Totals may not sum due to rounding.

The weighted average stated interest rate and weighted average maturity on the Company's borrowings as of December 31, 2023 were 5.77% and 3.8 years, respectively, and as of December 31, 2022 were 6.02% and 3.6 years, respectively, respectively.

The table below summarizes the components of interest expense for the years ended December 31, 2023, 2022 and as of December 31, 2021 were 6.02% and 4.6 years, respectively. 2021:

(\$ in thousands)	Year Ended December 31, 2023		
	Amortization of		
	Stated Interest	Deferred Debt Issuance	
	Expense	Costs	Total
6.50% Unsecured Notes	\$ 2,765.0	\$ 215.3	\$ 2,980.3
6.25% Unsecured Notes	2,799.4	233.2	3,032.6
5.50% Unsecured Notes	4,427.5	385.5	4,813.0
Total	\$ 9,991.9	\$ 834.0	\$ 10,825.9

F-34

#### OXFORD SQUARE CAPITAL CORP.

#### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

#### NOTE 5. BORROWINGS (cont.)

The table below summarizes the components of interest expense for the years ended December 31, 2022, 2021 and 2020:

(\$ in thousands)	Year Ended December 31, 2022				Year Ended December 31, 2022		
	Stated Interest		Amortization of Deferred Debt		Stated Interest		Amortization of Deferred Debt
	Expense	Issuance Costs	Total	Expense	Costs	Total	
	\$ 4,184.1	\$ 324.7	\$ 4,508.8	\$ 4,184.1	\$ 324.7	\$ 4,508.8	
6.50% Unsecured Notes							

6.25% Unsecured Notes	2,799.4	233.2	3,032.6	2,799.4	233.2	3,032.6
5.50% Unsecured Notes	4,427.5	385.5	4,813.0	4,427.5	385.5	4,813.0
Total	\$ 11,411.0	\$ 943.4	\$ 12,354.4	\$ 11,411.0	\$ 943.4	\$ 12,354.4

Year Ended December 31, 2021

(\$ in thousands)	Amortization of			Total <sup>(1)</sup>
	Stated		Deferred Debt	
	Interest	Expense	Issuance Costs	
6.50% Unsecured Notes	\$ 4,184.1	\$ 324.7	\$ 4,508.8	
6.25% Unsecured Notes	2,799.4	233.2	3,032.6	
5.50% Unsecured Notes	2,718.0	236.6	2,954.5	
Total <sup>(1)</sup>	\$ 9,701.5	\$ 794.4	\$ 10,495.9	

(1) Totals may not sum due to rounding.

Year Ended December 31, 2020

(\$ in thousands)	Amortization of			Total <sup>(1)</sup>
	Stated		Deferred Debt	
	Interest	Expense	Issuance Costs	
6.50% Unsecured Notes	\$ 4,184.1	\$ 325.6	\$ 4,509.7	
6.25% Unsecured Notes	2,799.4	233.8	3,033.2	
Credit Facility <sup>(2)</sup>	262.2	4.8	267.0	
Repo Facility	68.9	—	68.9	
Total <sup>(1)</sup>	\$ 7,314.6	\$ 564.2	\$ 7,878.9	

(1) Totals may not sum due to rounding.

(2) The Credit Facility was fully repaid on March 24, 2020.

#### Notes Payable — 6.50% Unsecured Notes Due 2024 (the “6.50% Unsecured Notes”)

On April 12, 2017, the Company completed an underwritten public offering of approximately \$64.4 million in aggregate principal amount of the 6.50% Unsecured Notes. The 6.50% Unsecured Notes mature on March 30, 2024, and may be redeemed in whole or in part at any time or from time to time at the Company's option on or after March 30, 2020. The 6.50% Unsecured Notes bear interest at a rate of 6.50% per year, payable quarterly on March 30, June 30, September 30, and December 30 of each year.

On July 24, 2023, the Company redeemed \$40.0 million in aggregate principal amount of the 6.50% Unsecured Notes. On September 11, 2023, the Company redeemed \$10.0 million in aggregate principal amount of the 6.50% Unsecured Notes. On November 3, 2023, the Company redeemed \$7.0 million in aggregate principal amount of the 6.50% Unsecured Notes. On December 21, 2023, the Company redeemed the remaining \$7.4 million aggregate principal amount of 6.50% Unsecured Notes. In connection with the December 21, 2023 redemption, the 6.50% Unsecured Notes were delisted from the NASDAQ Global Select Market. There was no accrued interest payable on the 6.50% Unsecured Notes as of December 31, 2023. The company recognized an extinguishment of debt resulting from the aforementioned principal redemptions of approximately \$190,000. The aggregate accrued interest payable on the 6.50% Unsecured Notes as of December 31, 2022 was approximately \$12,000, which was approximately the same as of December 31, 2021. As of December 31, 2022 and December 31, 2021, the Company had unamortized deferred debt issuance costs relating to the 6.50% Unsecured Notes of approximately \$0.4 million and \$0.7 million, respectively. The deferred debt issuance costs are being amortized over the term of the 6.50% Unsecured Notes and are included in interest expense in the statements of operations.

The cash paid and the effective annualized interest rate for the year ended December 31, 2023 were approximately \$2.8 million and 5.76%, respectively. The cash paid and the effective annualized interest rate for the year ended December 31, 2022 were approximately \$4.2 million and 7.00%, respectively. The

cash paid and the effective annualized interest rate for the year ended December 31, 2021 were approximately \$4.2 million and 7.00%, respectively.

F-35

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**NOTE 5. BORROWINGS (cont.)**

**Notes Payable — 6.25% Unsecured Notes Due 2026 (the “6.25% Unsecured Notes”)**

On April 3, 2019, the Company completed an underwritten public offering of approximately \$44.8 million in aggregate principal amount of 6.25% Unsecured Notes. The 6.25% Unsecured Notes will mature on April 30, 2026, and may be redeemed in whole or in part at any time or from time to time at the Company's option on or after April 30, 2022. The 6.25% Unsecured Notes bear interest at a rate of 6.25% per year payable quarterly on January 31, April 30, July 31, and October 31, of each year.

F-35

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**NOTE 5. BORROWINGS (cont.)**

The aggregate accrued interest payable on the 6.25% Unsecured Notes as of December 31, 2022 December 31, 2023 was approximately \$0.5 million, which was approximately the same as of December 31, 2021 December 31, 2022. As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company had unamortized deferred debt issuance costs of approximately \$0.8 \$0.5 million and \$1.0 \$0.8 million, respectively, relating to the 6.25% Unsecured Notes. The deferred debt issuance costs are being amortized over the term of the 6.25% Unsecured Notes and are included in interest expense in the statements of operations. The cash paid and the effective annualized interest rate for the year ended December 31, 2022 December 31, 2023 were approximately \$2.8 million and 6.77%, respectively. The cash paid and the effective annualized interest rate for the year ended December 31, 2021 December 31, 2022 were approximately \$2.8 million and 6.77%, respectively.

**Notes Payable — 5.50% Unsecured Notes Due 2028 (the “5.50% Unsecured Notes”)**

On May 20, 2021, the Company completed an underwritten public offering of approximately \$80.5 million in aggregate principal amount of 5.50% Unsecured Notes. The 5.50% Unsecured Notes will mature on July 31, 2028, and may be redeemed in whole or in part at any time or from time to time at the Company's option on or after May 31, 2024. The 5.50% Unsecured Notes bear interest at a rate of 5.50% per year payable quarterly on January 31, April 30, July 31, and October 31, of each year.

The aggregate accrued interest payable on the 5.50% Unsecured Notes as of December 31, 2022 December 31, 2023 was approximately \$0.7 million, which was approximately the same as of December 31, 2021 December 31, 2022. As of December 31, 2022 December 31, 2023 and 2021, 2022, the Company had unamortized deferred debt issuance costs of approximately \$2.2 \$1.8 million and \$2.5 \$2.2 million, respectively, relating to the 5.50% Unsecured Notes. The deferred debt issuance costs are being amortized over the term of the 5.50% Unsecured Notes and are included in interest expense in the statements of operations. The cash paid and the effective annualized interest rate for the year ended December 31, 2022 December 31, 2023 were approximately \$4.4 million and 5.98%, respectively. The cash paid and the effective annualized interest rate for the year ended December 31, 2021 December 31, 2022 were approximately \$2.0 \$4.4 million and 5.93% 5.98%, respectively.

**NOTE 6. EARNINGS PER SHARE**

The following table sets forth the computation of basic and diluted net increase in net assets resulting from net investment income per share for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020: 2021:

	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>Net increase in net assets resulting from net investment income per common share – basic and diluted:</b>						
Net investment income	\$ 20,687,578	\$ 16,100,195	\$ 19,714,492	\$ 27,359,939	\$ 20,687,578	\$ 16,100,195
Weighted average common shares outstanding – basic	49,757,122	49,624,851	49,477,215	53,919,104	49,757,122	49,624,851
<b>Net increase in net assets resulting from net investment income per common share – basic and diluted</b>	<b>\$ 0.42</b>	<b>\$ 0.32</b>	<b>\$ 0.40</b>	<b>\$ 0.51</b>	<b>\$ 0.42</b>	<b>\$ 0.32</b>

F-36

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 2023**

**NOTE 6. EARNINGS PER SHARE (cont.)**

The following table sets forth the computation of basic and diluted net increase/(decrease) in net assets resulting from operations per share for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021:

	Year Ended December 31, 2022	Year Ended December 31, 2021	Year Ended December 31, 2020
<b>Net (decrease)/increase in net assets resulting from operations per common share – basic and diluted:</b>			
Net (decrease)/increase in net assets resulting from operations	\$ (85,554,899)	\$ 39,584,684	\$ 1,711,291
Weighted average common shares outstanding – basic	49,757,122	49,624,851	49,477,215
<b>Net (decrease)/increase in net assets resulting from operations per common share – basic and diluted</b>	<b>\$ (1.72)</b>	<b>\$ 0.80</b>	<b>\$ 0.03</b>

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
<b>Net increase/(decrease) in net assets resulting from operations per common share – basic and diluted:</b>			
Net increase/(decrease) in net assets resulting from operations	\$ 17,238,028	\$ (85,554,899)	\$ 39,584,684
Weighted average common shares outstanding – basic	53,919,104	49,757,122	49,624,851
<b>Net increase/(decrease) in net assets resulting from operations per common share – basic and diluted</b>	<b>\$ 0.32</b>	<b>\$ (1.72)</b>	<b>\$ 0.80</b>

**NOTE 7. RELATED PARTY TRANSACTIONS**

The Company pays Oxford Square Management a fee for its services under the Investment Advisory Agreement consisting of — a base investment advisory fee (the "Base Fee") based on its gross assets, as described below, and two types of incentive fees. The cost of both the Base Fee and any incentive

fees earned by Oxford Square Management are ultimately borne by the Company's common stockholders.

As described in greater detail under *Item 1. Business — Investment Advisory Agreement — Advisory Fee* in this Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**, the Company first calculates the Base Fee and any incentive fee under the terms of the Investment Advisory Agreement, then calculates the Base Fee and any incentive fee under the terms of the fee waiver letter unilaterally adopted by Oxford Square Management, effective April 1, 2016 (the "2016 Fee Waiver"), and, finally, adopts the lower of the two combined results as the total fees payable to Oxford Square Management.

#### **Base Fee**

The Base Fee is payable quarterly in arrears, calculated based on a percentage of the average value of the Company's gross assets at the end of the two most recently completed calendar quarters, and appropriately prorated for any partial quarter. Accordingly, the Base Fee will be payable regardless of whether the value of the Company's gross assets has decreased during the quarter.

Under the terms of the Investment Advisory Agreement, the Base Fee is calculated at an annual rate of 2.00%, and appropriately adjusted for any equity or debt capital raises, repurchases, or redemptions during the current calendar quarter.

Under the terms of the 2016 Fee Waiver, for the purpose of calculating the amount of total advisory fees (if any) to be waived during a particular calendar quarter, the Base Fee (as a portion of the total calculation) is calculated at an annual rate of 1.50%, and adjusted pro rata for any share issuances, debt issuances, repurchases or redemptions during the current calendar quarter; provided, however, that no Base Fee is payable on the cash proceeds received by the Company in connection with any share or debt issuances until such proceeds have been invested in accordance with the Company's investment objectives.

F-37

#### **OXFORD SQUARE CAPITAL CORP.**

#### **NOTES TO FINANCIAL STATEMENTS** **DECEMBER 31, 2022**

##### **NOTE 7. RELATED PARTY TRANSACTIONS (cont.)**

The following table represents the portion of the total advisory fee ascribed to the Base Fee (pursuant to the 2016 Fee Waiver calculation) for the years ended **December 31, 2022** **December 31, 2023**, 2022 and 2021, and 2020, respectively:

(\$ in millions)	Year ended			Year ended			Year ended		
	December 31,		December 31,	December 31,		December 31,	December 31,		December 31,
	2022	2021	2020	2023	2022	2021	2023	2022	2021
Base Fee	\$ 5.9	\$ 6.3	\$ 4.5	\$ 4.6	\$ 5.9	\$ 6.3			

The Base Fee payable to Oxford Square Management as of **December 31, 2022** **December 31, 2023** and **2021** **2022** was approximately **\$1.3** **\$1.0** million and **\$1.7** **\$1.3** million, respectively.

#### **Incentive Fee**

The incentive fees are commonly referred to as the "Income Incentive Fee" and the "Capital Gains Incentive Fee," with the first fee payable quarterly in arrears and the second fee payable in arrears at the end of each calendar year.

#### Net Investment Income Incentive Fee

The first fee (the "Net Investment Income Incentive Fee"), is determined by reference to the Company's "Pre-Incentive Fee Net Investment Income" (as defined below). Given that this incentive fee is payable without regard to any gain, loss or unrealized depreciation that may occur during the quarter, Oxford Square Management's incentive fee may be payable notwithstanding a decline in net asset value that quarter.

Under the terms of the Investment Advisory Agreement, the Net Investment Income Incentive Fee is calculated based on the Company's "Pre-Incentive Fee Net Investment Income" for the immediately preceding calendar quarter.

- For this purpose, "Pre-Incentive Fee Net Investment Income" means interest income, dividend income and any other income (including any other fees, such as commitment, origination, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies) accrued during the calendar quarter minus the Company's operating expenses for the quarter (including the Base Fee, expenses payable under the administration agreement, and any interest expense and dividends paid on any issued and outstanding preferred stock, but excluding the incentive fee). Pre-Incentive Fee Net Investment Income includes, in the case of investments with a deferred interest feature (such as original issue discount, debt instruments with PIK interest, and zero coupon securities), accrued income that we have not yet received in cash. Pre-Incentive Fee Net Investment Income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation.
- Pre-Incentive Fee Net Investment Income, expressed as a rate of return on the value of the Company's net assets at the end of the immediately preceding calendar quarter, is compared to one-fourth of an annual "hurdle rate." The annual hurdle rate is determined as of the immediately preceding December 31<sup>st</sup> by adding 5.0% to the interest rate then payable on the most recently issued five-year U.S. Treasury Notes, up to a maximum annual hurdle rate of 10.0%. The annual hurdle rates for the 2023, 2022 2021 and 2020 2021 calendar years, calculated as of the immediately preceding December 31, were 6.26% 8.99%, 5.36% 6.26%, and 6.69% 5.36%, respectively, under the terms of the Investment Advisory Agreement. The Company's net investment income (to the extent not distributed to shareholders) stockholders used to calculate the Net Investment Income Incentive Fee was also included in the amount of gross assets used to calculate the 2% Base Fee.

F-38

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 2023**

**NOTE 7. RELATED PARTY TRANSACTIONS (cont.)**

- The operation of the incentive fee with respect to the Company's Pre-Incentive Fee Net Investment Income for each quarter is as follows:
  - no incentive fee is payable to Oxford Square Management in any calendar quarter in which the Pre-Incentive Fee Net Investment Income does not exceed one fourth of the annual hurdle rate (6.26% 8.99% for the 2022 2023 calendar year).
  - 20% of the amount of the Pre-Incentive Fee Net Investment Income, if any, that exceeds one-fourth of the annual hurdle rate (6.26% 8.99% for the 2022 2023 calendar year) in any calendar quarter is payable to Oxford Square Management (i.e., once the hurdle rate is reached, 20% of all Pre-Incentive Fee Net Investment Income thereafter will be allocated to Oxford Square Management).

Under the terms of the 2016 Fee Waiver, for the purpose of calculating the amount of total advisory fees (if any) to be waived during a particular calendar quarter, the Income Incentive Fee (as a portion of the total calculation) is calculated based on the amount by which (x) the "Pre-Incentive Fee Net Investment Income" (as defined below) for the calendar quarter exceeds (y) the "Preferred Return Amount" (as defined below) for the calendar quarter.

- A "Preferred Return Amount" is calculated on a quarterly basis by multiplying 1.75% by the Company's net asset value at the end of the immediately preceding calendar quarter.
- The Net Investment Income Incentive Fee is then calculated as follows:
  - no Net Investment Income Incentive Fee is payable to Oxford Square Management in any calendar quarter in which the "Pre-Incentive Fee Net Investment Income" does not exceed the "Preferred Return Amount";
  - 100% of the "Pre-Incentive Fee Net Investment Income" for such quarter, if any, that exceeds the "Preferred Return Amount" but is less than or equal to a "Catch-Up Amount" determined on a quarterly basis by multiplying 2.1875% by OXSQ's net asset value at the end of such calendar quarter; and
  - for any quarter in which the "Pre-Incentive Fee Net Investment Income" exceeds the "Catch-Up Amount," the Net Investment Income Incentive Fee will be 20% of the amount of the "Pre-Incentive Fee Net Investment Income" for such quarter.
- There is no accumulation of amounts from quarter to quarter for the "Preferred Return Amount," and accordingly there is no claw back of amounts previously paid to Oxford Square Management if the "Pre-Incentive Fee Net Investment Income" for subsequent quarters is below the quarterly "Preferred Return Amount," and there is no delay of payment of incentive fees to Oxford Square Management if the "Pre-Incentive Fee Net Investment Income" for prior quarters is below the quarterly "Preferred Return Amount" for the quarter for which the calculation is being made.

d. The calculation of the Company's Net Investment Income Incentive Fee is subject to a total return requirement that provides that a Net Investment Income Incentive Fee will not be payable to Oxford Square Management except to the extent 20% of the "cumulative net increase in net assets resulting from operations" (which is the amount, if positive, of the sum of the "Pre-Incentive Fee Net Investment Income," realized gains and losses and unrealized appreciation and depreciation) during the calendar quarter for which such fees are being calculated and the eleven (11) preceding quarters exceeds the cumulative Net Investment Income Incentive Fees accrued and/or paid for such eleven (11) preceding quarters.

F-39

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 2023**

**NOTE 7. RELATED PARTY TRANSACTIONS (cont.)**

In the event that the advisory fee calculations under the 2016 Fee Waiver produce a higher combined Base Fee and Net Investment Income Incentive Fee for any quarterly period, the combined fees are set to the original (lower) level, calculated pursuant to the Investment Advisory Agreement. In the event that advisory fee calculations under the 2016 Fee Waiver produce a lower combined Base Fee and Net Investment Income Incentive Fee for that quarterly period, those lower combined fees are adopted for that quarterly period. In either case, the lower level of combined fees is used for that quarter, and, accordingly, the advisory fee payable to Oxford Square Management can only be reduced, and never increased, as a result of the 2016 Fee Waiver.

The following table represents the portion of the total advisory fee ascribed to Net Investment Income Incentive Fees (pursuant to the 2016 Fee Waiver calculation) for each of the years ended **December 31, 2022** December 31, 2023, 2022 and 2021, and 2020, respectively:

(\$ in millions)	Year ended			Year ended			Year ended				
	December 31,			December 31,			December 31,				
	2022	2021	2020		2022	2021	2020		2022	2021	2020
Net Investment Income Incentive Fee	\$ —	\$ —	\$ —		\$ —	\$ —	\$ —		\$ —	\$ —	\$ —
(\$ in millions)	Year ended	Year ended	Year ended	December	Year ended	Year ended	Year ended	December	Year ended	Year ended	Year ended
	December	December		31,	December	December		31,	December	December	
	2023	2022		2023	2022	2021		2023	2022	2021	
Net Investment Income Incentive Fee	\$ 3.7	\$ —	\$ —		\$ —	\$ —	\$ —		\$ —	\$ —	\$ —

There was no Net Investment Income Incentive Fee payable to Oxford Square Management as of **December 31, 2022** December 31, 2023 and **2021, 2022.**

**Capital Gains Incentive Fee**

The Capital Gains Incentive Fee, which is calculated identically under the Investment Advisory Agreement and under the 2016 Fee Waiver, is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), and equals 20% of the Company's "Incentive Fee Capital Gains," which consists of its realized capital gains for each calendar year, computed net of all realized capital losses and unrealized capital depreciation for that calendar year. For accounting purposes only, in order to reflect the theoretical Capital Gains Incentive Fee that would be payable for a given period as if all unrealized gains were realized, the Company will accrue a Capital Gains Incentive Fee based upon net realized gains and unrealized depreciation for that calendar year (in accordance with the terms of the Investment Advisory Agreement), plus unrealized appreciation on investments held at the end of the period. It should be noted that a fee so calculated and accrued would not necessarily be payable under the Investment Advisory Agreement, and may never be paid based upon the computation of Capital Gains Incentive Fees in subsequent periods. Amounts paid under the Investment Advisory Agreement will be consistent with the formula reflected in the Investment Advisory Agreement.

The amount of Capital Gains Incentive Fee expense related to the hypothetical liquidation of the portfolio (and assuming no other changes in realized or unrealized gains and losses) would only become payable to Oxford Square Management in the event of a complete liquidation of the Company's portfolio as of period end and the termination of the Investment Advisory Agreement on such date. Also, it should be noted that the Capital Gains Incentive Fee expense fluctuates with the Company's overall investment results.

There were no Capital Gains Incentive Fees based on hypothetical liquidation for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021. There were no accrued Capital Gains Incentive Fees payable to Oxford Square Management as of December 31, 2022 December 31, 2023 and 2021, 2022.

F-40

---

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**NOTE 7. RELATED PARTY TRANSACTIONS (cont.)**

***Administration Agreement***

The Company has also entered into the Administration Agreement with Oxford Funds under which Oxford Funds provides administrative services for the Company. The Company pays Oxford Funds an allocable portion of overhead and other expenses incurred by Oxford Funds on its behalf under the Administration Agreement, including

F-40

---

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**NOTE 7. RELATED PARTY TRANSACTIONS (cont.)**

a portion of the rent and the compensation of the chief financial officer, Chief Financial Officer, accounting staff and other administrative support personnel, which creates potential conflicts of interest that the Board must monitor. The Company also reimburses Oxford Funds for the costs associated with the functions performed by the Company's Chief Compliance Officer that Oxford Funds pays on the Company's behalf pursuant to the terms of an agreement between the Company and ACA Group, LLC.

Oxford Square Management is controlled by Oxford Funds, its managing member. Charles M. Royce, a member of the Board, holds a minority, non-controlling interest in Oxford Square Management. Oxford Funds manages the business and internal affairs of Oxford Square Management. Jonathan H. Cohen, the Company's Chief Executive Officer, as well as a Director, is the managing member of Oxford Funds. Saul B. Rosenthal, the Company's President and Chief Operating Officer, is also the President and Chief Operating Officer of Oxford Square Management and a member of Oxford Funds. Messrs. Cohen and Rosenthal together control the equity interests in Oxford Funds.

For the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, the Company incurred approximately \$825,000, \$916,000 \$724,000 and \$708,000, \$724,000, respectively, in compensation expenses for the services of employees allocated to the administrative activities of the Company, pursuant to the Administration Agreement with Oxford Funds. In addition, the Company incurred approximately \$63,000, \$62,000, \$58,000, and \$50,000 \$58,000 for facility costs allocated under the Administration Agreement for the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, respectively. As of December 31, 2022 December 31, 2023, there was approximately \$31,000 were no amounts payable under the Administration Agreement. As of December 31, 2021 and 2020, December 31, 2022, there were no amounts was approximately \$31,000 payable under the Administration Agreement.

***Co-Investment Exemptive Relief***

On June 14, 2017, June 14, 2017, the SEC issued an order permitting the Company and certain of its affiliates to complete negotiated co-investment transactions in portfolio companies, subject to certain conditions (the "Order"). Subject to satisfaction of certain conditions to the Order, the Company and certain of its affiliates are permitted, together with any future BDCs, registered closed-end funds and certain private funds, each of whose investment adviser is Oxford Square Management or an investment adviser controlling, controlled by, or under common control with the Oxford Square Management, to co-invest in negotiated investment opportunities where doing so would otherwise be prohibited under the 1940 Act, providing the Company's stockholders with access to a broader array of investment opportunities.

Pursuant to the Order, the Company is permitted to co-invest in such investment opportunities with its affiliates if a "required majority" (as defined in Section 57(o) of the 1940 Act) of its independent directors make certain conclusions in connection with a co-investment transaction, including, but not limited to, that (1) the terms of the potential co-investment transaction, including the consideration to be paid, are reasonable and fair to the Company and its stockholders and do not involve overreaching in respect of the Company or its stockholders on the part of any person concerned, and (2) the potential co-investment transaction is consistent with the interests of the Company's stockholders and is consistent with the Company's then-current investment objective and strategies.

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 8. INVESTMENT INCOME**

The following table sets forth the components of investment income for the years ended **December 31, 2022** **December 31, 2023**, **2022** and **2021**, and **2020**, respectively:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>December 31, 2020</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
<b>Interest Income</b>						
Stated interest income	\$ 23,954,078	\$ 16,142,294	\$ 17,374,998	\$ 32,434,732	\$ 23,954,078	\$ 16,142,294
Original issue discount and market discount income	880,671	740,731	1,397,699	1,094,874	880,671	740,731
Payment-in-kind interest income	—	—	271,034			
Discount income derived from unscheduled remittances						
at par	399,566	557,204	1,208,324	62,560	399,566	557,204
Total interest income	25,234,315	17,440,229	20,252,055	33,592,166	25,234,315	17,440,229
<b>Income from securitization vehicles and investments</b>	<b>17,093,203</b>	<b>18,691,631</b>	<b>15,014,000</b>	<b>16,796,699</b>	<b>17,093,203</b>	<b>18,691,631</b>
<b>Other income</b>						
Fee letters	544,267	405,010	369,231	649,260	544,267	405,010
Loan prepayment and bond call fees	—	300,000	200,000	—	—	300,000
All other fees	246,327	338,143	107,219			
Money market fund income and all other fees				786,056	246,327	338,143
Total other income	790,594	1,043,153	676,450	1,435,316	790,594	1,043,153
<b>Total investment income</b>	<b>\$ 43,118,112</b>	<b>\$ 37,175,013</b>	<b>\$ 35,942,505</b>	<b>\$ 51,824,181</b>	<b>\$ 43,118,112</b>	<b>\$ 37,175,013</b>

The 1940 Act requires that a BDC offer significant managerial assistance to its portfolio companies. The Company may receive fee income for managerial assistance it renders to portfolio companies in connection with its investments. For the years ended **December 31, 2022** **December 31, 2023**, **2021** **2022** and **2020**, the Company received no fee income for managerial assistance.

**NOTE 9. COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Company enters into a variety of undertakings containing a variety of warranties and indemnifications that may expose the Company to some risk of loss. The risk of future loss arising from such undertakings, while not quantifiable, is expected to be remote.

The Company is not currently subject to any material legal proceedings. From time to time, the Company may be a party to certain legal proceedings in the ordinary course of business, including proceedings relating to the enforcement of the Company's rights under contracts with its portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, the Company does not expect that these proceedings will have a material effect upon its results of operations and financial condition.

OXFORD SQUARE CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 2023

NOTE 10. FINANCIAL HIGHLIGHTS

The following information sets forth the Company's financial highlights for the years ending December 31, 2022 December 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013 2014.

Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,	December 31,
2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	
<b>Per Share Data</b>											
Net asset value at:											
beginning of year	\$ 2.78	\$ 4.92	\$ 4.55	\$ 5.12	\$ 6.60	\$ 7.55	\$ 7.50	\$ 6.40	\$ 8.64	\$ 9.85	\$ 9.90
Net investment											
income <sup>(1)(7)</sup>	0.51	0.42	0.32	0.40	0.81	0.67	0.60	0.52	0.66	1.11	
Net realized and											
unrealized											
(losses) <sup>(2)(7)</sup>	1.09	(0.19)									
Net realized and											
unrealized											
(losses)/gains <sup>(2)(7)</sup>	(2.14)	0.47	(0.36)	(1.49)	(0.91)	0.25	1.62	(1.85)	(1.14)		
Net change in net asset											
value from											
operations	0.06	0.32									
Net (decrease)/increase in											
net assets resulting											
from operations	(1.72)	0.79	0.04	(0.68)	(0.24)	0.85	2.14	(1.19)	(0.03)	1.15	
Distributions per share											
from net investment											
income	(0.54)	(0.42)	(0.42)	(0.61)	(0.80)	(0.73)	(0.66)	(1.06)	(1.14)	(1.00)	(1.16)
Distributions based on											
weighted average											
share impact	(0.01)	—	—	—	—	0.01	—	0.01	0.01	(0.03)	(0.04)
Tax return of capital											
distributions	—	—	—	—	—	(0.07)	(0.14)	(0.10)	—	—	(0.16)
Total distributions <sup>(8)</sup>	—	(0.55)									
Total distributions <sup>(9)</sup>	(0.42)	(0.42)	(0.61)	(0.80)	(0.79)	(0.80)	(1.15)	(1.13)	(1.19)	(1.20)	
Effect of shares issued,											
net of offering											
expenses	—	—	—	—	—	—	—	—	—	—	
Effect of shares											
issued/repurchased,											
gross	—	—	—	—	—	0.08	—	0.11	0.08	0.01	—

Net asset value at end of year	\$ 2.55	\$ 2.78	\$ 4.92	\$ 4.55	\$ 5.12	\$ 6.60	\$ 7.55	\$ 7.50	\$ 6.40	\$ 8.64	\$ 9.85
Per share market value at beginning of year	\$ 4.08	\$ 3.05	\$ 5.44	\$ 6.47	\$ 5.74	\$ 6.61	\$ 6.08	\$ 7.53	\$ 10.34	\$ 10.12	
Per share market value at end of year	\$ 3.12	\$ 4.08	\$ 3.05	\$ 5.44	\$ 6.47	\$ 5.74	\$ 6.61	\$ 6.08	\$ 7.53	\$ 10.34	
Per share market value at end of year	\$ 2.86	\$ 3.12	\$ 4.08	\$ 3.05	\$ 5.44	\$ 6.47	\$ 5.74	\$ 6.61	\$ 6.08	\$ 7.53	
Total return based on Market Value <sup>(4)</sup>	9.34%	(14.11)%	47.38%	(31.75)%	(4.14)%	26.95%	(2.01)%	33.29%	(4.35)%	(17.22)%	14.68%
Total return based on Net Asset Value <sup>(5)</sup>	11.15%	(34.96)%	17.36%	0.82%	(10.26)%	(1.99)%	11.33%	35.31%	(12.73)%	(0.51)%	11.62%
Shares outstanding at end of year	59,300,472	49,844,796	49,690,059	49,589,607	48,448,987	47,650,959	51,479,409	51,479,409	56,396,435	60,303,769	53,400,745
<u>Ratios/Supplemental</u>											
<u>Data<sup>(6)</sup></u>											
Net assets at end of year period (000's)	\$ 151,309	\$ 138,672	\$ 244,595	\$ 225,427	\$ 247,999	\$ 314,724	\$ 388,419	\$ 385,992	\$ 360,935	\$ 520,813	\$ 526,242
Average net assets (000's)	\$ 149,944	\$ 192,785	\$ 242,589	\$ 192,137	\$ 289,373	\$ 369,258	\$ 385,947	\$ 343,328	\$ 487,894	\$ 560,169	\$ 506,093
Ratio of expenses to average net assets	16.32%	11.64%	8.69%	8.45%	8.35%	6.17%	7.95%	12.38%	9.80%	8.70%	9.74%
Ratio of net investment income to average net assets	18.25%	10.73%	6.64%	10.26%	13.30%	9.07%	7.96%	7.80%	8.12%	12.24%	
Portfolio turnover rate <sup>(6)</sup>	11.02	3.85%									
Portfolio turnover rate <sup>(6)</sup>	17.09%	11.09%	23.72%	12.75%	35.18%	43.02%	25.73%	24.96%	45.91%	38.22%	

(1) Represents per share net investment income for the period, based upon weighted average shares outstanding.

(2) Net realized and unrealized gains include rounding adjustments to reconcile change in net asset value per share.

(3) Management monitors available taxable earnings, including net investment income and realized capital gains, to determine if a tax return of capital may occur for the year. To the extent the Company's taxable earnings fall below the total amount of the Company's distributions for that fiscal year, a portion of those distributions may be deemed a tax return of capital to the Company's stockholders. The ultimate tax character of the Company's earnings cannot be determined until tax returns are prepared after the end of the fiscal year.

F-43

#### OXFORD SQUARE CAPITAL CORP.

#### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 2023

#### NOTE 10. FINANCIAL HIGHLIGHTS (cont.)

(4) Total return based on market value equals the increase or decrease of ending market value over beginning market value, plus distributions, assuming distribution reinvestment prices obtained under the Company's distribution reinvestment plan, excluding any discounts divided by the beginning market value per share.

(5) Total return based on net asset value equals the increase or decrease of ending net asset value over beginning net asset value, plus distributions, divided by the beginning net asset value.

(6) Portfolio turnover rate is calculated using the lesser of the annual cash investment sales and repayments of principal or annual cash investment purchases over the average of the total investments at fair value.

(7) During the first quarter of 2015, the Company identified a non-material error in its accounting for income from CLO equity investments. Prospectively as of January 1, 2015, the Company records income from its CLO equity investments using the effective yield method in accordance with the accounting guidance in ASC 325-40, Beneficial Interests in Securitized Financial Assets, based upon an estimation of an effective yield to maturity utilizing assumed cash flows. An out-of-period adjustment to Net Investment Income Incentive Fees, in the amount of \$2.4 million, or \$0.04 per share, is reflected in the year ended December 31, 2015. Prior period amounts are not materially affected. During the quarter ended September 30, 2015, the Company recorded an out of period adjustment related to a miscalculation of discount accretion which increased interest income and increased investment cost, by approximately \$1.4 million. For the year ended December 31, 2015, approximately \$1.1 million, or \$0.02 per share, of the adjustment related to prior years. The increase in the investment cost has a corresponding effect on the investment's unrealized depreciation of the same amount. Management concluded the adjustment was not material to previously filed financial statements.

(8) The following table provides supplemental performance ratios measured for the years ended December 31, 2022 December 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013: 2014:

Ratio of expenses to average net assets:	Year Ended												Year Ended											
	Year Ended																							
	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2023	December 31, 2022	December 31, 2021	
	31, 2022	31, 2021	31, 2020	31, 2019	31, 2018	31, 2017	31, 2016	31, 2015	31, 2014	31, 2013	31, 2023	31, 2022	31, 2021	31, 2020	31, 2019	31, 2018	31, 2017	31, 2016	31, 2015	31, 2014	31, 2023	31, 2022	31, 2021	
Ratio of expenses to average net assets:																								
Expenses before incentive fees	11.64%	8.69%	8.45%	7.14%	4.92%	6.95%	11.57%	10.00%	8.39%	8.68%	13.84%	11.64%	8.69%	8.45%	7.14%	4.92%	6.95%	11.57%	10.00%	8.39%	13.84%	11.64%	8.69%	
Net Investment Income Incentive Fees	—%	—%	—%	1.21%	1.24%	1.00%	0.81%	(0.19)%	1.00%	1.30%	2.47%	—%	—%	1.21%	1.24%	1.00%	0.81%	(0.19)%	1.00%	—%	—%	—%	—%	
Capital Gains Incentive Fees	—%	—%	—%	—%	—%	—%	—%	—%	(0.69)%	(0.24)%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	(0.69)%	
Ratio of expenses, excluding interest expense, to average net assets	5.23%	4.36%	4.35%	4.93%	4.21%	4.61%	7.37%	5.73%	5.17%	6.00%	9.10%	5.23%	4.36%	4.35%	4.93%	4.21%	4.61%	7.37%	5.73%	5.17%	9.10%	5.23%	4.36%	

Information about our senior securities is shown in the following tables as of the fiscal years ended December 31, 2022 December 31, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, 2014, and 2013, 2014.

Year	Total Amount				Total			
	Outstanding	Asset	Involuntary	Average	Amount	Asset	Involuntary	Average
	Exclusive of Treasury	Coverage	Liquidation	Market	Exclusive of Treasury	Ratio	Liquidation	Market
	Securities <sup>(1)</sup>	Per Unit <sup>(2)</sup>	Per Unit <sup>(3)</sup>	Unit <sup>(4)</sup>	Securities <sup>(1)</sup>	Unit <sup>(2)</sup>	Per Unit <sup>(3)</sup>	Unit <sup>(4)</sup>
<u>5.50% Unsecured Notes</u>								
2023					\$80,500,000	\$ 2,189		— \$ 21.96
2022	\$ 80,500,000	\$ 1,714	—	\$ 23.50	\$80,500,000	\$ 1,714		— \$ 23.50
2021	\$ 80,500,000	\$ 2,267	—	\$ 25.20	\$80,500,000	\$ 2,267		— \$ 25.20
<u>6.25% Unsecured Notes</u>								
2023					\$44,790,750	\$ 2,189		— \$ 23.81
2022	\$ 44,790,750	\$ 1,714	—	\$ 24.62	\$44,790,750	\$ 1,714		— \$ 24.62
2021	\$ 44,790,750	\$ 2,267	—	\$ 25.55	\$44,790,750	\$ 2,267		— \$ 25.55
2020	\$ 44,790,750	\$ 3,044	—	\$ 23.30	\$44,790,750	\$ 3,044		— \$ 23.30
2019	\$ 44,790,750	\$ 2,786	—	\$ 25.07	\$44,790,750	\$ 2,786		— \$ 25.07

F-44

#### OXFORD SQUARE CAPITAL CORP.

#### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 2023

##### NOTE 10. FINANCIAL HIGHLIGHTS (cont.)

Year	Total Amount				Total Amount			
	Outstanding	Asset	Involuntary	Average	Outstanding	Asset	Involuntary	Average
	Exclusive of Treasury	Coverage	Liquidation	Market	Exclusive of Treasury	Ratio	Liquidation	Market
	Securities <sup>(1)</sup>	Per Unit <sup>(2)</sup>	Per Unit <sup>(3)</sup>	Unit <sup>(4)</sup>	Securities <sup>(1)</sup>	Unit <sup>(2)</sup>	Per Unit <sup>(3)</sup>	Unit <sup>(4)</sup>
<u>Credit Facility<sup>(5)</sup></u>								
<u>OXSQ Funding 2018, LLC Revolving Credit Facility<sup>(5)</sup></u>								
2019	\$ 28,090,601	\$ 2,786	—	N/A	\$ 28,090,601	\$ 2,786	—	N/A
2018	\$ 85,679,403	\$ 3,085	—	N/A	\$ 85,679,403	\$ 3,085	—	N/A
<u>6.50% Unsecured Notes<sup>(9)</sup></u>								
2023					\$ —	\$ —		— \$ 24.90
2022	\$ 64,370,225	\$ 1,714	—	\$ 25.01	\$ 64,370,225	\$ 1,714		— \$ 25.01
2021	\$ 64,370,225	\$ 2,267	—	\$ 25.31	\$ 64,370,225	\$ 2,267		— \$ 25.31
2020	\$ 64,370,225	\$ 3,044	—	\$ 23.65	\$ 64,370,225	\$ 3,044		— \$ 23.65
2019	\$ 64,370,225	\$ 2,786	—	\$ 25.43	\$ 64,370,225	\$ 2,786		— \$ 25.43
2018	\$ 64,370,225	\$ 3,085	—	\$ 25.51	\$ 64,370,225	\$ 3,085		— \$ 25.51
2017	\$ 64,370,225	\$ 7,003	—	\$ 25.90	\$ 64,370,225	\$ 7,003		— \$ 25.90

<u>2017 Convertible Notes<sup>(6)</sup></u>								
2016	\$ 94,542,000	\$ 2,707	—	N/A	\$ 94,542,000	\$ 2,707	—	N/A
2015	\$ 115,000,000	\$ 2,007	—	N/A	\$ 115,000,000	\$ 2,007	—	N/A
2014	\$ 115,000,000	\$ 2,024	—	N/A	\$ 115,000,000	\$ 2,024	—	N/A
2013	\$ 115,000,000	\$ 2,141	—	N/A				
<u>Debt Securitization – TICC CLO 2012-1 LLC</u>								
<u>Senior Notes<sup>(7)</sup></u>								
<u>Debt Securitization – TICC 2012-1 CLO LLC</u>								
<u>Senior Notes<sup>(7)</sup></u>								
2016	\$ 129,281,817	\$ 2,707	—	N/A	\$ 129,281,817	\$ 2,707	—	N/A
2015	\$ 240,000,000	\$ 2,007	—	N/A	\$ 240,000,000	\$ 2,007	—	N/A
2014	\$ 240,000,000	\$ 2,024	—	N/A	\$ 240,000,000	\$ 2,024	—	N/A
2013	\$ 240,000,000	\$ 2,141	—	N/A				
<u>TICC Funding, LLC Revolving Credit</u>								
<u>Facility<sup>(8)</sup></u>								
2014	\$ 150,000,000	\$ 2,024	—	N/A	\$ 150,000,000	\$ 2,024	—	N/A
<u>Debt Securitization – TICC CLO LLC Senior</u>								
<u>Notes<sup>(9)</sup></u>								
2013	\$ 101,250,000	\$ 2,141	—	N/A				

- (1) Total amount of each class of senior securities outstanding at the end of the period presented.
- (2) Asset coverage per unit is the ratio of the carrying value of our total assets, less all liabilities and indebtedness not represented by senior securities, to the aggregate amount of senior securities representing indebtedness. Asset coverage per unit is expressed in terms of dollar amounts per \$1,000 of indebtedness.
- (3) The amount to which such class of senior security would be entitled upon the voluntary liquidation of the issuer in preference to any security junior to it. The “—” in this column indicates that the Securities and Exchange Commission expressly does not require this information to be disclosed for the types of senior securities representing indebtedness issued by OXSQ as of the stated time periods.
- (4) Not applicable for any of the senior securities (except for the 6.50% Unsecured Notes, 6.25% Unsecured Notes, and 5.50% Unsecured Notes) as they are not registered for public trading. For the 6.50% Unsecured Notes, the amounts represent the average of the daily closing prices on the NASDAQ Global Select Market for the period from April 12, 2017 (date of issuance) through December 31, 2017, for the period from January 1, 2023 through December 21, 2023 (date of full principal repayment and delisting from NASDAQ), and for the years ended December 31, 2022, 2021, 2020, 2019, and 2018. For the 6.25% Unsecured Notes, the amounts represent the average of the daily closing prices on the NASDAQ Global Select Market for the period from April 3, 2019 (date of issuance) through December 31, 2019 and for the years ended December 31, 2022 December 31, 2023, 2022, 2021, and 2020. For the 5.50% Unsecured Notes, the amounts represent the average of the daily closing prices on the NASDAQ Global Select Market for the period from May 20, 2021 (date of issuance) through December 31, 2021 and for the year years ended December 31, 2022 December 31, 2023 and 2022.

F-45

OXFORD SQUARE CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 2023

NOTE 10. FINANCIAL HIGHLIGHTS (cont.)

- (5) The Company fully repaid the OXSQ Funding 2018, LLC Revolving Credit Facility on March 24, 2020.
- (6) The Company fully repaid the 2017 Convertible Notes on November 1, 2017.

- (7) The Company fully repaid the TICC CLO 2012-1 LLC Senior Notes on August 25, 2017.
- (8) The Company fully repaid the TICC Funding, LLC Revolving Credit Facility on December 24, 2015.
- (9) The Company fully repaid the **TICC CLO LLC Senior 6.50% Unsecured Notes** on **October 27, 2014** **December 21, 2023**.

#### NOTE 11. DISTRIBUTIONS

The Company intends to continue to operate so as to qualify to be taxed as a RIC under the Code and, as such, the Company would not be subject to federal income tax on the portion of its taxable income and gains distributed to stockholders. To qualify to be taxed as a RIC, the Company is required, among other requirements, to distribute at least 90% of its annual investment company taxable income, as defined by the Code. The amount to be paid out as a distribution each quarter is determined by the Board and is based upon the annual taxable income estimated by the management of the Company. Income calculated in accordance with U.S. federal income tax regulations differs substantially from GAAP income. To the extent that the Company's cumulative undistributed taxable earnings fall below the amount of distributions declared, however, a portion of the total amount of the Company's distributions for the fiscal year may be deemed a return of capital for tax purposes to the Company's stockholders.

The Company intends to comply with the applicable provisions of the Code pertaining to RICs to make distributions of taxable income sufficient to relieve it of substantially all federal income taxes. The Company, at its discretion, may carry forward taxable income in excess of calendar year distributions and pay a 4% excise tax on such income. The Company will accrue excise tax on estimated excess taxable income, if any, as required. The Company accrued approximately \$750,000 for estimated 2023 excise tax on estimated excess undistributed taxable income. The Company incurred approximately \$252,000 \$674,000 in excise tax relating to the tax year ended **December 31, 2021** December 31, 2022. This amount was expensed and paid during the year ended **December 31, 2022**, December 31, 2023.

The tax character of distributions declared and is included within "General and administrative" expenses paid in 2023 represented, on the Statements of Operations.

an estimated basis, \$29,503,040 from ordinary income. The tax character of distributions declared and paid in 2022 represented, on an estimated basis, \$20,897,611 from ordinary income. The tax character of distributions declared and paid in 2021 represented, on an estimated basis, \$20,842,166 from ordinary income. The tax character of distributions declared and paid in 2020 represented, on an estimated basis, \$30,265,733 from ordinary income.

GAAP requires adjustments to certain components of net assets to reflect permanent differences between financial and tax reporting. These reclassifications have no effect on net asset value per share. For 2023, 2022 2021 and 2020, 2021, the permanent differences between financial and tax reporting are noted below. These adjustments were the result of book/tax differences in the treatment of unscheduled prepayments, book/tax differences in the treatment of prepayment penalty fees, book/tax differences in the treatment of defaulted bonds, extinguishment fees, book/tax differences in the treatment of CLO equity investments, non deductible excise tax paid, and adjustment to certain components of net assets from those originally published in quarterly and annual reports to conform to the current period presentation for comparative purposes.

	December 31,		
	2022	2021	2020
Adjustment to accumulated net investment income	\$ (40,593)	\$ 16,339,454	\$ 7,506,582
Adjustment to accumulated net realized (losses)/gains	292,765	2,273,510	(2,346,470)
Adjustment to total distributable earnings/(accumulated losses)	\$ 252,172	\$ 18,612,964	\$ 5,160,112
Adjustment to capital in excess of par value	\$ (252,172)	\$ (18,612,964)	\$ (5,160,112)

F-46

#### OXFORD SQUARE CAPITAL CORP.

#### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

#### NOTE 11. DISTRIBUTIONS (cont.)

	December 31,		
	2023	2022	2021
Adjustment to accumulated net investment income	\$ 9,908,779	\$ (40,593)	\$ 16,339,454

Adjustment to accumulated net realized (losses)/gains	(8,485,093)	292,765	2,273,510
Adjustment to total distributable earnings/(accumulated losses)	\$ 1,423,686	\$ 252,172	\$ 18,612,964
Adjustment to capital in excess of par value	\$ (1,423,686)	\$ (252,172)	\$ (18,612,964)

The Company has adopted an "opt out" distribution reinvestment plan for its common stockholders. As a result, if the Company makes a cash distribution, then stockholders' cash distributions will be automatically reinvested in additional shares of its common stock, unless they specifically "opt out" of the distribution reinvestment plan so as to receive cash distributions. During the years ended December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, the Company issued 309,016, 154,737 100,452 and 42,343 100,452 shares, respectively, of common stock to stockholders

F-46

#### OXFORD SQUARE CAPITAL CORP.

#### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2023

##### NOTE 11. DISTRIBUTIONS (cont.)

for approximately \$0.9 million, \$0.5 million, \$0.4 million, and \$0.2 \$0.4 million, respectively, in connection with the distribution reinvestment plan. During the year ended December 31, 2022, December 31, 2023 and 2022, the Company's dividend administrator did not purchase any shares in the open market to satisfy the reinvestment portion of the Company's dividends. During the years ended December 31, 2021 and 2020, as part of the Company's dividend reinvestment plan for its common stockholders, the Company's dividend administrator purchased 23,202 and 169,713 shares respectively, of common stock for approximately \$0.1 million and \$0.5 million, respectively, in the open market to satisfy the reinvestment portion of the Company's dividends.

For U.S. federal income tax purposes, net realized capital losses may be carried over to offset future capital gains, if any. These capital losses can be carried forward for an indefinite period and will retain their character as either short-term or long-term capital losses. As of December 31, 2022 December 31, 2023, the Company had \$1,521,602 \$1,454,528 of short-term capital losses and \$102,433,758 \$127,471,191 of long-term capital losses available to be carried forward for an indefinite period. The tax character of distributions for the year ended December 31, 2022 December 31, 2023, represented, on an estimated basis, \$0.42 \$0.54 per share, from ordinary income. For the year ended December 31, 2022 December 31, 2023, the amounts and sources of distributions reported are only estimates (based on an average of the reported tax character historically) and are not being provided for U.S. tax reporting purposes. Because the Company believes the historical tax characteristics of distributions is the most useful information which is readily available, the Company has used the average of all years from inception of the Company in providing the estimates herein. However, the timing and character of distributions for federal income tax purposes (which are determined in accordance with the U.S. federal tax rules which may differ from GAAP) may be materially different than the historical information the Company used in providing the estimates herein. The final determination of the source of all distributions in 2022 2023 will be made after year-end and the amounts represented may be materially different from the amounts disclosed in the final Form 1099-DIV notice. The actual amounts and sources of the amounts for tax reporting purposes will depend upon the Company's investment performance and may be subject to change based on tax regulations.

As of December 31, 2022 December 31, 2023, 2021 2022 and 2020, 2021, the estimated components of distributable earnings/(accumulated losses) on a tax basis were as follow:

	December 31,			December 31,		
	2022	2021	2020	2023	2022	2021
Distributable ordinary income	\$ 30,254,968	\$ 23,110,561	\$ 1,551,625	\$ 34,551,675	\$ 30,254,968	\$ 23,110,561
Capital loss carry forward	(103,955,360)	(105,858,035)	(90,816,505)	(128,925,720)	(103,955,360)	(105,858,035)
Unrealized depreciation on investments	(221,821,951)	(106,574,531)	(138,454,699)	(213,031,716)	(221,821,951)	(106,574,531)
Other timing differences	(1,042,092)	(1,042,092)	—	—	(1,042,092)	(1,042,092)
Total accumulated losses	\$ (296,564,435)	\$ (190,364,097)	\$ (227,719,579)	\$ (307,405,761)	\$ (296,564,435)	\$ (190,364,097)

The 2022 2023 amounts will be finalized before filing the U.S. federal income tax return.

##### NOTE 12. NET ASSET VALUE PER SHARE

The Company's net asset value per share as of December 31, 2022 December 31, 2023, and December 31, 2021 December 31, 2022, was \$2.78 \$2.55 and \$4.92, \$2.78, respectively. In determining the Company's net asset value per share, the Board determined in good faith the fair value of the Company's portfolio investments for which reliable market quotations are not readily available.

## OXFORD SQUARE CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022 2023

## NOTE 13. SHARE ISSUANCE AND REPURCHASE PROGRAMS

On August 1, 2019, August 22, 2023, the Company entered into an Amendment No. 1 to that certain Equity Distribution Agreement dated August 1, 2019 with Ladenburg Thalmann & Co. through which the Company offered may offer for sale, from time to time, up to \$150.0 million of the Company's our common stock through an At-the-Market ("ATM") offering. The Company sold a total of 2,695,388 shares of common stock pursuant to the ATM offering during the year ended December 31, 2023. The total amount of capital raised net of underwriting fees and offering costs was approximately \$8.0 million during the year ended December 31, 2023. The Company did not sell any shares of common stock under the ATM program during the years ended December 31, 2022 and 2021. During the year ended December 31, 2020, the Company sold a total of 1.1 million shares of common stock, respectively, under the ATM program, which raised net proceeds of approximately \$5.8 million.

From time to time, the Board may authorize a share repurchase program under which shares are purchased in open market transactions. Since the Company is incorporated in Maryland, MGCL requires share repurchases to be accounted for as a share retirement. The cost of repurchased shares is charged against capital on the settlement date. During the years ended December 31, 2022 December 31, 2023, 2021, 2022, and 2020 2021 the Company was not authorized to repurchase any shares of outstanding common stock.

## NOTE 14. STOCKHOLDERS' EQUITY

On June 22, 2023, the Company completed a transferable rights offering, issuing approximately 6.5 million shares at a subscription price of \$2.66 per share. Total proceeds, net of underwriting and offering costs, were approximately \$16.0 million. Approximately 1.7 million shares were purchased in the rights offering by affiliates of Oxford Square Management.

## NOTE 14.15. SELECTED QUARTERLY DATA (unaudited)

	Year Ended December 31, 2023			
	Quarter Ended		Quarter Ended	
	December 31	September 30	June 30	March 31
Total Investment Income	\$ 12,324,049	\$ 13,045,354	\$ 13,512,980	\$ 12,941,798
Net Investment Income	7,764,556	6,438,818	6,665,781	6,490,784
Net (decrease)/increase in Net Assets resulting from Operations	(7,310,695)	6,692,836	11,587,404	6,268,483
Net increase in Net Assets resulting from Net Investment Income, per common share, basic and diluted	\$ 0.13	\$ 0.11	\$ 0.13	\$ 0.13
Net (decrease)/increase in Net Assets resulting from Operations, per common share, basic and diluted <sup>(1)</sup>	\$ (0.13)	\$ 0.12	\$ 0.23	\$ 0.13

(1) The summation of quarterly per share amounts may not tie to annual per share amounts due to share issuances and rounding.

	Year Ended December 31, 2022			
	Quarter Ended		Quarter Ended	
	December 31	September 30	June 30	March 31
Total Investment Income	\$ 11,914,559	\$ 11,398,132	\$ 9,939,551	\$ 9,865,870
Net Investment Income	6,537,830	5,555,846	4,343,528	4,250,374
Net decrease in Net Assets resulting from Operations	(22,775,383)	(11,146,916)	(43,435,411)	(8,197,189)
Net increase in Net Assets resulting from Net Investment Income, per common share, basic and diluted	\$ 0.13	\$ 0.11	\$ 0.09	\$ 0.09

Net decrease in Net Assets resulting from Operations, per common share, basic and diluted <sup>(1)</sup>	\$ (0.46)	\$ (0.22)	\$ (0.87)	\$ (0.16)
---	-----------	-----------	-----------	-----------

(1) The summation of quarterly per share amounts may not tie to annual per share amounts due to rounding.

	Year Ended December 31, 2021			
	Quarter Ended December 31	Quarter Ended September 30	Quarter Ended June 30	Quarter Ended March 31
	\$ 10,175,686	\$ 9,797,631	\$ 7,842,006	\$ 9,359,690
Total Investment Income	\$ 10,175,686	\$ 9,797,631	\$ 7,842,006	\$ 9,359,690
Net Investment Income	4,519,594	3,981,968	2,784,469	4,814,164
Net Increase in Net Assets resulting from Operations	28,273	11,265,139	6,502,117	21,789,155
Net Increase in Net Assets resulting from Net Investment Income, per common share, basic and diluted <sup>(1)</sup>	\$ 0.09	\$ 0.08	\$ 0.06	\$ 0.10
Net Increase in Net Assets resulting from Operations, per common share, basic and diluted	\$ 0.00	\$ 0.23	\$ 0.13	\$ 0.44

(1) The summation of quarterly per share amounts may not tie to annual per share amounts due to rounding.

F-48

### OXFORD SQUARE CAPITAL CORP.

#### NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022

#### NOTE 14.15. SELECTED QUARTERLY DATA (unaudited) (cont.)

	Year Ended December 31, 2020				Year Ended December 31, 2021			
	Quarter Ended December 31	Quarter Ended September 30	Quarter Ended June 30	Quarter Ended March 31	Quarter		Quarter	
					Quarter Ended December 31	Quarter Ended September 30	Quarter Ended June 30	Quarter Ended March 31
Total Investment Income	\$ 8,638,057	\$ 8,225,139	\$ 8,254,621	\$ 10,824,688	\$ 10,175,686	\$ 9,797,631	\$ 7,842,006	\$ 9,359,690
Net Investment Income	4,741,740	4,270,279	4,329,982	6,372,491	4,519,594	3,981,968	2,784,469	4,814,164
Net Increase/(Decrease) in Net Assets resulting from Operations	39,664,967	20,848,768	20,555,569	(79,358,013)				
Net Increase in Net Assets resulting from Operations					28,273	11,265,139	6,502,117	21,789,155
Net Increase in Net Assets resulting from Net Investment Income, per common share, basic and diluted <sup>(1)</sup>	\$ 0.10	\$ 0.09	\$ 0.09	\$ 0.13	\$ 0.09	\$ 0.08	\$ 0.06	\$ 0.10
Net Increase/(Decrease) in Net Assets resulting from Operations, per common share, basic and diluted <sup>(1)</sup>	\$ 0.80	\$ 0.42	\$ 0.41	\$ (1.62)				

Net Increase in Net Assets resulting from Operations, per common share, basic and diluted	\$ 0.00	\$ 0.23	\$ 0.13	\$ 0.44
--	---------	---------	---------	---------

(1) The summation of quarterly per share amounts may not tie to annual per share amounts due to rounding.

#### **NOTE 15.16. RECENT ACCOUNTING PRONOUNCEMENTS**

In June 2022, the FASB issued ASU 2022-03, "Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions." The amendments in this update provide that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments in this update also require additional disclosures for equity securities subject to contractual sales restrictions. ASU 2022-03 is required for years beginning after December 15, 2023, though early adoption is permitted. The Company does not expect ASU 2022-03 to have a material impact to the financial statements and the notes thereto.

Other than the aforementioned guidance, the Company's management does not believe that any recently issued, but not yet effective, accounting standards, if currently adopted, would have a material effect on the accompanying financial statements.

#### **NOTE 16.17. RISKS AND UNCERTAINTIES**

Government spending, government policies, including recent increases in certain interest rates by the U.S. Federal Reserve, and disruptions in supply chains in the United States and elsewhere in conjunction with other factors, have led and could continue to lead to inflationary economic environments that could affect the Company's portfolio companies, financial condition and results of operations. The Company has exposure to interest rate risks to the extent prevailing interest rates change and it could negatively affect the fair value of the Company's investments. If interest rates continue to rise in response to inflation, the value, volatility and liquidity of income paying investments could be adversely affected. Market volatility, dramatic change to interest rates and/or unfavorable economic conditions may lower performance or impair the Company's ability to achieve its investment objective. The occurrence of any of the above events could have a significant adverse impact on the value and risk profile of the Company's investments.

Although it is difficult to predict the extent of the impact of economic disruptions on the underlying CLO vehicles the Company invests in, the failure by a CLO vehicle to satisfy certain financial covenants, including with respect to adequate collateralization and/or interest coverage tests, could lead to a reduction in its payments to us. In the event that a CLO vehicle fails certain tests, holders of debt senior to us may be entitled to additional payments that would, in turn, reduce the payments we would otherwise be entitled to receive.

Separately, the Company may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting CLO vehicle or any other investment we may make. If any of these occur, it could materially and adversely affect the Company's operating results and cash flows.

F-49

#### **OXFORD SQUARE CAPITAL CORP.**

#### **NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

#### **NOTE 16. RISKS AND UNCERTAINTIES (cont.)**

The interests the Company has acquired in CLO vehicles are generally thinly traded or have only a limited trading market. CLO vehicles are typically privately offered and sold, even in the secondary market. As a result, investments in CLO vehicles may be characterized as illiquid securities. In addition to the general risks associated with investing in debt securities, CLO vehicles carry additional risks, including, but not limited to: (i) the possibility that distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) the fact that the Company's investments in CLO tranches will likely be subordinate to other senior classes of note tranches thereof; and (iv) the complex structure of the security may not be fully understood at the time of investment and may produce disputes with the CLO vehicle or unexpected investment results. The Company's net asset value may also decline over time if the Company's principal recovery with respect to CLO equity investments is less than the price that the Company paid for those investments.

The Company places its cash in an overnight money market fund and, at times, cash and cash equivalents may exceed the Federal Deposit Insurance Corporation insured limit. In addition, the Company's portfolio may be concentrated in a limited number of portfolio companies, which will subject the Company

to a risk of significant loss if any of these companies defaults on its obligations under any of its debt securities that the Company holds or if those sectors experience a market downturn.

Various social and political circumstances in the U.S. and around the world (including wars and other forms of conflict, including rising trade tensions between the United States and China, and other uncertainties regarding actual and potential shifts in the U.S. and foreign, trade, economic and other policies with other countries, terrorist acts, security operations and catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes and global health epidemics), may also contribute to increased market volatility and economic uncertainties or deterioration in the U.S. United States and worldwide. Specifically, the Israel-Hamas war and conflict between Russia and Ukraine, and resulting market volatility, could adversely affect the Company's business, financial condition or results of operations. In response to the conflict between Russia and Ukraine, the United States and other countries have imposed sanctions or other restrictive actions against Russia. Any of the above factors, including sanctions, export controls, tariffs, trade wars and other governmental actions, could have a material adverse effect on the Company's business, financial condition, cash flows and results of operations and could cause the market value of the Company's common shares and/or debt securities to decline. These market and economic disruptions could also negatively impact the operating results of the Company's portfolio companies.

F-49

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**DECEMBER 31, 2023**

**NOTE 17.18. SUBSEQUENT EVENTS**

The Board declared the following distributions payable to stockholders as shown below:

Date Declared	Record Dates	Payable Dates	Per Share Distribution	
			Amount Declared	
October 20, 2022	January 17, 2023	January 31, 2023	\$	0.035
October 20, 2022	February 14, 2023	February 28, 2023	\$	0.035
October 20, 2022	March 17, 2023	March 31, 2023	\$	0.035
March 16, 2023	April 14, 2023	April 28, 2023	\$	0.035
March 16, 2023	May 17, 2023	May 31, 2023	\$	0.035
March 16, 2023	June 16, 2023	June 30, 2023	\$	0.035

Date Declared	Record Dates	Payable Dates	Per Share Distribution
Date Declared	Record Dates	Payable Dates	Amount Declared
November 2, 2023	January 17, 2024	January 31, 2024	\$0.035
November 2, 2023	February 15, 2024	February 29, 2024	\$0.035
November 2, 2023	March 15, 2024	March 29, 2024	\$0.035
March 14, 2024	April 16, 2024	April 30, 2024	\$0.035
March 14, 2024	May 17, 2024	May 31, 2024	\$0.035
March 14, 2024	June 14, 2024	June 28, 2024	\$0.035

The Company's management evaluated subsequent events through the date of issuance of these financial statements and noted no other events that necessitate adjustments to or disclosure in the financial statements.

F-50

**Item 9. Changes in and Disagreements with Independent Registered Public Accounting Firm on Accounting and Financial Disclosure**

None.

**Item 9A. Controls and Procedures**

**(a) Evaluation of Disclosure Controls and Procedures**

As of December 31, 2022 December 31, 2023 (the end of the period covered by this report), we, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the 1934 Act). Based on that evaluation, our management, including our Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective and provided reasonable assurance that information required to be disclosed in our periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. However, in evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

**(b) Management's Report on Internal Control Over Financial Reporting**

Management is responsible for establishing and maintaining adequate internal control over financial reporting, and for performing an assessment of the effectiveness of internal control over financial reporting as of December 31, 2022 December 31, 2023. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Management performed an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2022 December 31, 2023 based upon criteria in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on our assessment, management determined that the Company's internal control over financial reporting was effective as of December 31, 2022 December 31, 2023 based on the criteria in Internal Control — Integrated Framework issued by COSO.

**Attestation Report of the Registered Public Accounting Firm**

The independent registered public accounting firm that audited our consolidated financial statements has not issued an audit report on the effectiveness of our internal control over financial reporting, due to exemptions for non-accelerated filers under the Sarbanes-Oxley Act of 2002, as amended.

**(c) Changes in Internal Control Over Financial Reporting**

Management did not identify any change in the Company's internal control over financial reporting that occurred during the fourth quarter of 2022 2023 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

**Item 9B. Other Information**

**Not applicable. Rule 10b5-1 Trading Plans**

During the fiscal quarter ended December 31, 2023, none of our directors or officers adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities to satisfy the affirmative defense conditions of Exchange Act Rule 10b5-1(c) or any "non Rule 10b5-1 trading arrangement."

**Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections**

Not applicable.

---

**PART III**

**Item 10. Directors, Executive Officers and Corporate Governance**

**Director and Executive Officer Information**

The following table sets forth the names, ages and positions held by each of our directors and executive officers, followed by a brief biography of each individual, including the business experience of each individual during the past five years and the specific qualifications that led to the conclusion that each

individual should serve as a director.

Name	Age	Position	Director Since	Term Expires	Age	Position	Director Since	Term Expires
<b>Interested Directors</b>								
Jonathan H. Cohen	58	Chief Executive Officer	2003	2024	59	Chief Executive Officer	2003	2024
Charles M. Royce	83	Director	2003	2023	84	Director	2003	2026
<b>Independent Directors</b>								
Steven P. Novak	75	Chairman of the Board	2003	2023	76	Chairman of the Board	2003	2026
George Stelljes III	61	Director	2016	2024	62	Director	2016	2024
Barry Osherow	50	Director	2021	2025	51	Director	2021	2025
<b>Executive Officers</b>								
Saul B. Rosenthal	54	President and Chief Operating Officer			55	President and Chief Operating Officer		
Bruce L. Rubin	63	Chief Financial Officer, Corporate Secretary and Treasurer			64	Chief Financial Officer, Corporate Secretary and Treasurer		
Gerald Cummins	68	Chief Compliance Officer			69	Chief Compliance Officer		

**Jonathan H. Cohen** has served as Chief Executive Officer of both OXSQ the Company and Oxford Square Management, and as the managing member of Oxford Funds, since 2003. Mr. Cohen has also served as Chief Executive Officer and Director of Oxford Lane Capital Corp. (NasdaqGS:OXLC), a registered closed-end fund, and as Chief Executive Officer of Oxford Lane Management, since 2010. Since 2023, Mr. Cohen has also served as Chief Executive Officer and Director of Oxford Park Income Fund, Inc., a non-traded registered closed-end fund, and as Chief Executive Officer of Oxford Park Management. Since 2018, Mr. Cohen has also served as the Chief Executive Officer of Oxford Gate Management, LLC, or 'Oxford Gate Management,' the investment adviser to the Oxford Gate Master Fund, LLC, Oxford Gate, LLC and Oxford Gate (Bermuda), LLC (collectively, the "Oxford Gate Funds"), Funds and Oxford Bridge II, LLC. Oxford Bridge II, LLC and the Oxford Gate Funds are private investment funds. Previously, Mr. Cohen managed technology equity research groups at Wit Capital, Merrill Lynch, UBS and Smith Barney. Mr. Cohen received a B.A. in Economics from Connecticut College and an M.B.A. from Columbia University. Mr. Cohen's depth of experience in managerial positions in investment management, securities research and financial services, as well as his intimate knowledge of our business and operations, gives our Board of Directors valuable industry-specific knowledge and expertise on these and other matters.

**Steven P. Novak** currently serves as the Chairman of the Board of Directors of Quisk, Inc. has extensive capital markets, venture, and public company investing experience. He held senior positions at Harris BankCorp, Sanford C Bernstein & Company (now Alliance Bernstein), Forstmann-Leff & Associates, and Unterberg Harris, before founding Palladio Capital Management LLC, where he managed an early stage mobile payments company, investment partnership. In addition to his work in the process of liquidating its assets, finance, Mr. Novak also served on the Board of Directors of CyberSource Corporation, a payment processing and fraud management company, until its July 2010 acquisition by Visa, Inc. In the course of his tenure at CyberSource Corporation, founded Mederi Therapeutics, where he served as Chairman and CFO, to acquire the assets of Curon Medical. Mr. Novak also founded Quisk, Inc., a software firm that built a next-generation mobile payments platform and served as its Chairman and CEO. Mr. Novak currently serves as Chief Financial Officer and Chief Compliance Officer of LMI Group International, Inc., a company that authenticates works of art within a private equity investment model, utilizing both traditional techniques as well as advancing the use of scientific computing in the cultural heritage context. A Chartered Financial Analyst, Mr. Novak is a seasoned Board member at early-stage companies, frequently chairing the Audit Committee. In addition to the aforementioned companies, he served on the Boards of CyberSource, Cytomation, DAKO, and Nominating Committees and as Lead Independent Director. Mr. Novak previously served as President Aperio Technologies, all of Palladio Capital Management, LLC and as the Principal and Managing Member of the General Partner of Palladio Partners, LP, an equities hedge fund, from July 2002 until July 2009, which were acquired by other firms. Mr. Novak received a Bachelor of Science degree from Purdue University and an M.B.A. from Harvard University. A Chartered Financial Analyst, Mr. Novak's financial expertise from his experience as a financial manager and varied roles on the

boards of both publicly-traded and privately-held companies qualifies him to serve as chairman of our Board of Directors and provides our Board of Directors with particular technology-related knowledge and the perspective of a knowledgeable corporate leader.

**Charles M. Royce** currently serves as Chairman of the Board of Managers of Royce & Associates, LP. Prior to 2017, Mr. Royce served as Chief Executive Officer of Royce & Associates, LP since 1972. He also manages or co-manages **eight** **six** of Royce & Associates, LP's open- and closed-end registered funds. **Mr. Royce serves on the Board of Trustees of The Royce Funds.** Mr. Royce's history with us, familiarity with our investment platform, and extensive knowledge of the financial services industry and the investment valuation process in particular qualify him to serve as a member of our Board of Directors.

**Barry Osherow** is currently a partner at Level Equity Management, LLC ("Level Equity"), a private investment firm focused on rapidly growing software and technology-driven businesses, and manages Level Equity's structured capital business. Prior to joining Level Equity in 2016, Mr. Osherow held various positions with Enhanced Capital Partners, Inc., including Managing Partner and Investment Committee Member of the firm's SBIC fund and Managing Director and Head of Debt Investments. Prior to that, Mr. Osherow was a member of the founding team of Oxford Square Capital Corp. and served as Principal at Oxford Square Capital Corp. from 2002 to 2008. Previously, Mr. Osherow was an Associate in the Private Equity Group at Wit Capital (which became SoundView Technology Group) focused on raising private equity for technology and Internet businesses and was a member of the founding team in 1996. Mr. Osherow also previously served as Vice President of Business Development at Spring Street Brewing Company and an Associate with Lehman Brothers. He graduated from Babson College with a B.S. with a concentration in International Business. Mr. Osherow was selected to serve as a director on our board of directors due to his more than twenty-five years of experience as a finance executive and extensive credit experience with middle-market companies.

**George "Chip" Stelljes III** is currently the managing partner of St. John's Capital, LLC, a vehicle used to make private equity investments. From 2001 to 2013, Mr. Stelljes held various senior positions with the Gladstone Companies, including serving as the chief investment officer, president and a director of Gladstone Capital Corporation and Gladstone Investment Corporation, both of which are business development companies, of Gladstone Commercial Corporation, a real estate investment trust, and of their registered investment adviser, Gladstone Management Corporation. From 1999 to 2001, Mr. Stelljes was a managing member of Camden Partners, a private equity firm which finances high growth companies in communications, education, healthcare and business services sectors. From 1997 to 1999, Mr. Stelljes was a managing director and partner of Columbia Capital, a venture capital firm focused on investments in communications and information technology. From 1989 to 1997, Mr. Stelljes held various positions, including executive vice president and principal, with the Allied Capital companies. From 2001 through 2012, Mr. Stelljes served as a general partner and investment committee member of Patriot Capital and Patriot Capital II, which are private equity funds. Mr. Stelljes is currently the chairman of the board of directors of Bluestone Community Development Fund, a closed-end investment company that operates as an interval fund. He is also a former board member and regional president of the National Association of Small Business Investment Companies. Mr. Stelljes holds an MBA from the University of Virginia and a BA in Economics from Vanderbilt University. Mr. Stelljes was selected to serve as a director on our Board of Directors due to his more than twenty-five years of experience in the investment analysis, management, and advisory industries.

**Saul B. Rosenthal** has served as President since 2004 of **OXSQ** the Company and Oxford Square Management, and is a member of Oxford Funds. In addition, Mr. Rosenthal has served as President and a Director of Oxford Lane Capital Corp. (NasdaqGS:OXLC), a registered closed-end fund, and as President of Oxford Lane Management, since 2010. **Mr. Rosenthal has also served as President of Oxford Gate Management, the investment adviser to the Oxford Gate Funds, and Oxford Bridge II, LLC, since 2018.** Mr. Rosenthal was previously an attorney at the law firm of Shearman & Sterling LLP. Mr. Rosenthal serves on the board of the National Museum of Mathematics. Mr. Rosenthal received a B.S., magna cum laude, from the Wharton School of the University of Pennsylvania, a J.D. from Columbia University Law School, where he was a Harlan Fiske Stone Scholar, and a LL.M. (Taxation) from New York University School of Law. **Mr. Rosenthal's depth of experience in managerial positions in investment management, as well as his intimate knowledge of our business and operations, gives the Board of Directors the valuable perspective of a knowledgeable corporate leader.**

**Bruce L. Rubin** has served as the Company's **Controller** since 2005, the Company's Senior Vice President and Treasurer since 2009, the Company's Chief Financial Officer, Chief Accounting Officer, since August 2015 and the Company's Chief Financial Officer and Corporate Secretary since August 2015. **Mr. Rubin has served as the Company's Controller from 2005 to 2015 and as its Treasurer since 2009. Mr. Rubin has also served as Oxford Lane Capital Corp.'s Chief Financial Officer, Chief Accounting Officer, and Corporate Secretary since August 2015. Mr. Rubin has served as Oxford Lane Capital Corp.'s Controller from 2005 to 2015 and as its Treasurer since 2009.** Since 2023, Mr. Rubin has also served

as Chief Financial Officer, Corporate Secretary and Controller since its initial public offering in 2011. Treasurer of Oxford Park Income Fund, Inc., a non-traded registered closed-end fund. Mr. Rubin also currently serves as the Chief Financial Officer and Secretary of Oxford Lane Management, LLC, Oxford Square Management, Oxford Park Management, Oxford Funds and Oxford Gate Management, LLC. Management. From 1995 to 2003,

Mr. Rubin was the Assistant Treasurer & Director of Financial Planning of the New York Mercantile Exchange, Inc., the largest physical commodities futures exchange in the world and has extensive experience with Sarbanes-Oxley, treasury operations and SEC reporting requirements. From 1989 to 1995, Mr. Rubin was a manager in financial operations for the American Stock Exchange, where he was primarily responsible for budgeting matters. Mr. Rubin began his career in commercial banking as an auditor primarily of the commercial lending and municipal bond dealer areas. Mr. Rubin received his BBA in Accounting from Hofstra University where he also obtained his M.B.A. in Finance.

**Gerald Cummins** has served as the Company's Chief Compliance Officer since June 2015 pursuant to an agreement between the Company and ACA Group, **LLC**, a compliance consulting firm. Mr. Cummins also currently serves as the Chief Compliance Officer of Oxford Square Management, Oxford Lane Capital Corp., Oxford Lane Management, LLC, Oxford Funds LLC, and since 2018, Oxford Gate Management, **LLC**. **LLC**, Mr. Cummins has served as the Chief Compliance Officer of Oxford Park Income Fund, Inc. and Oxford Park Management, since 2023. Mr. Cummins has been a director of ACA Group, **LLC** since June 2014 and in that capacity he also serves as the Chief Compliance Officer to an unaffiliated private equity firm and three unaffiliated BDCs. Prior to joining ACA Group, **LLC**, Mr. Cummins was a consultant for Barclays Capital Inc. from 2012 to 2013, where he participated in numerous compliance projects on pricing and valuation, compliance assessments, and compliance policy and procedure development. Prior to his consulting work at Barclays, Mr. Cummins was from 2010 to 2011 the Chief Operating Officer and the Chief Compliance Officer for BroadArch Capital and from 2009 to 2011 the Chief Financial Officer and Chief Compliance Officer to its predecessor New Castle Funds, a long-short equity asset manager. Prior to that, Mr. Cummins spent 25 years at Bear Stearns Asset Management (BSAM), where he was a Managing Director and held senior compliance, controllers and operations risk positions. Mr. Cummins graduated with a B.A. in Mathematics from Fordham University.

#### **Code of Business Conduct and Ethics**

We have adopted a Code of Business Conduct and Ethics (the "Code") which applies to our senior officers, including our Chief Executive Officer and our Chief Financial Officer, as well as every officer, director and employee of OXSQ. Our Code can be accessed via our website at <http://www.oxfordsquarecapital.com>. We intend to disclose amendments to or waivers from a required provision of the Code on Form 8-K. We intend to disclose any substantive amendments to, or waivers from, this Code within four business days of the waiver or amendment through a posting on our website.

#### **Nomination of Directors**

There have been no material changes to the procedures by which stockholders may recommend nominees to our Board implemented since the filing of our Proxy Statement for our **2022** **2023** Annual Meeting of Stockholders.

#### **Audit Committee**

The Audit Committee operates pursuant to a charter approved by our Board, a copy of which is available on our website at [www.oxfordsquarecapital.com](http://www.oxfordsquarecapital.com). The charter sets forth the responsibilities of the Audit Committee. The Audit Committee's responsibilities include recommending the selection of our independent registered public accounting firm, reviewing with such independent registered public accounting firm the planning, scope and results of their audit of our financial statements, pre-approving the fees for services performed, reviewing with the independent registered public accounting firm the adequacy of internal control systems, reviewing our annual financial statements and periodic filings, and receiving the audit reports covering our financial statements. The Audit Committee is presently composed of three persons: Messrs. Novak, Osherow and Stelljes, all of whom are considered independent under the rules promulgated by the NASDAQ Global Stock Market. Our Board has determined that Mr. Novak is an "audit committee financial expert" as that term is defined under Item 407 of Regulation S-K of the Exchange Act. Messrs. Novak, Osherow and Stelljes each meet the current independence and experience requirements of Rule 10A-3 of the Exchange Act and, in addition, are each not an "interested person" of OXSQ as defined in Section 2(a)(19) of the 1940 Act. Mr. Osherow currently serves as Chairman of the Audit Committee. The Audit Committee met on four occasions during **2022**, **2023**.

---

#### **Item 11. Executive Compensation**

##### **Compensation of Chief Executive Officer and Other Executive Officers**

None of our officers receive direct compensation from the Company. As a result, we do not engage any compensation consultants. Mr. Cohen, our Chief Executive Officer, and Mr. Rosenthal, our President and Chief Operating Officer, through their ownership interest in Oxford Funds, the managing member of Oxford Square Management, are entitled to a portion of any profits earned by Oxford Square Management, which includes any fees payable to Oxford Square Management under the terms of our Investment Advisory Agreement, less expenses incurred by Oxford Square Management in performing its services under the Investment Advisory Agreement. Messrs. Cohen and Rosenthal do not receive any additional compensation from Oxford Square Management in connection with the management of our portfolio.

The compensation of our Chief Financial Officer and Corporate Secretary is paid by our administrator, Oxford Funds, subject to reimbursement by us of an allocable portion of such compensation for services rendered by our Chief Financial Officer and Corporate Secretary to the Company. The allocable portion of such compensation that is reimbursed to Oxford Funds by us is based on an estimate of the time spent by our Chief Financial Officer and Corporate Secretary and other administrative personnel in performing their respective duties for us in accordance with the Administration Agreement. For the fiscal year ended **December 31, 2022** December 31, 2023, we accrued approximately **\$916,000** **\$825,000** for the allocable portion of compensation expenses incurred by Oxford Funds on our behalf for our Chief Financial Officer, our Treasurer and Controller, and other administrative support personnel, pursuant to our Administration Agreement with Oxford Funds. Mr. Cummins is a Director of ACA Group, **Consulting Services, LLC**, and performs his functions as our Chief Compliance Officer under the terms of an agreement between us and ACA **Group, Group, LLC**. For the fiscal year ended **December 31, 2022** December 31, 2023, we accrued approximately \$120,000 for the fees paid to ACA **Group, Group, LLC**.

#### **Director Compensation**

Each independent director receives an annual fee of \$90,000. The Chairman of the Board receives an additional annual fee of \$30,000 for his service as Chairman of the Board. In addition, the independent directors receive \$4,000 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending each Board meeting, \$1,500 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending each Valuation Committee meeting, \$1,500 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending each Audit Committee meeting, \$1,000 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending each Nominating and Corporate Governance Committee meeting, \$1,000 plus reimbursement of reasonable out-of-pocket expenses incurred in connection with attending each Compensation Committee meeting. The Chairman of the Audit Committee also receives an additional annual fee of \$10,000 for his service as chair of the Audit Committee. The Chairman of the Valuation Committee also receives an additional annual fee of \$7,500 for his service as chair of the Valuation Committee. The Chairman of the Nominating and Corporate Governance Committee also receives an additional annual fee of \$5,000 for his service as chair of the Nominating and Corporate Governance Committee. The Chairman of the Compensation Committee also receives an additional annual fee of \$5,000 for his service as chair of the Compensation Committee. No compensation was paid to directors who are interested persons of OXSQ as defined in the 1940 Act.

87

The following table sets forth compensation of our directors for the year ended **December 31, 2022** December 31, 2023.

Name	Fees Earned or Paid in Cash <sup>(1)</sup>			All Other Compensation <sup>(2)</sup>			Total	Fees Earned or Paid in Cash			All Other Compensation <sup>(2)</sup>			Total
<b>Interested Directors</b>														
Jonathan H. Cohen	\$	—		—	\$	—	—	\$	—		—	\$	—	—
Charles M. Royce	\$	—		—	\$	—	—	\$	—		—	\$	—	—
<b>Independent Directors (1)</b>														
Steven P. Novak	\$	160,571		—	\$	160,571	\$159,000		—	\$159,000		—	\$159,000	
Barry Osherow	\$	124,429		—	\$	124,429	\$134,000		—	\$134,000		—	\$134,000	
George Stelljes III	\$	132,500		—	\$	132,500	\$136,500		—	\$136,500		—	\$136,500	

(1) For a discussion of the independent directors' compensation, see above.

(2) We do not maintain a stock or option plan, non-equity incentive plan or pension plan for our directors.

#### **Compensation Committee**

The Compensation Committee operates pursuant to a charter approved by our Board, a copy of which is available on our website at [www.oxfordsquarecapital.com](http://www.oxfordsquarecapital.com). The charter sets forth the responsibilities of the Compensation Committee. The Compensation Committee is responsible for annually reviewing and recommending for approval to our Board the Investment Advisory Agreement and the Administration Agreement. The Compensation Committee is also responsible for reviewing and approving the compensation of the Independent Directors, including the Chairman of the Board. In addition, although we do not directly compensate our executive officers currently, to the extent that we do so in the future, the Compensation Committee would also be responsible for reviewing and evaluating their compensation and making recommendations to the Board regarding their compensation. Lastly, the Compensation Committee would produce a report on our executive compensation practices and policies for inclusion in our proxy statement if required by

applicable proxy rules and regulations and, if applicable, make recommendations to the Board on our executive compensation practices and policies. The Compensation Committee has the authority to engage compensation consultants and to delegate their duties and responsibilities to a member or to a subcommittee of the Compensation Committee. The Compensation Committee is presently composed of three persons: Messrs. Novak, Osherow and Stelljes, all of whom are considered independent under the rules of the NASDAQ Global Select Market and are not "interested persons" of Oxford Square Capital Corp. as that term is defined in Section 2(a)(19) of the 1940 Act. Mr. Novak serves as Chairman of the Compensation Committee. The Compensation Committee met one time during **2022**, **2023**.

#### *Compensation Committee Interlocks and Insider Participation*

During fiscal year **2022**, **2023** none of the Company's executive officers served on the Board (or a compensation committee thereof or other board committee performing equivalent functions) of any entities that had one or more executive officers serve on the Compensation Committee of the Company or on the Board of the Company. No current or past executive officers of the Company or its affiliates serve on the Company's Compensation Committee.

#### *Compensation Committee Report*

Currently, none of our executive officers are compensated by the Company and as such the Compensation Committee is not required to produce a report on executive officer compensation for inclusion in our annual report on Form 10-K.

88

#### **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

The following table sets forth, as of March **17, 2023**, **14, 2024**, the beneficial ownership of each director, the Company's executive officers, each person known to us to beneficially own 5% or more of the outstanding shares of our common stock, and the executive officers and directors as a group.

88

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission ("SEC") and includes voting or investment power with respect to the securities. Ownership information for those persons who beneficially own 5% or more of our shares of common stock is based upon Schedule 13G filings by such persons with the SEC and other information obtained from such persons, if available.

Unless otherwise indicated, the Company believes that each beneficial owner set forth in the table has sole voting and investment power and has the same address as the Company. The Company's current address is 8 Sound Shore Drive, Suite 255, Greenwich, Connecticut 06830.

Name of Beneficial Owner	Number of Shares Beneficially Owned <sup>(1)</sup>	Percentage of Class <sup>(2)</sup>	Number of Shares Beneficially Owned <sup>(1)</sup>		Percentage of Class <sup>(2)</sup>
			Beneficially Owned <sup>(1)</sup>	Percentage of Class <sup>(2)</sup>	
<b>Interested Directors</b>					
Jonathan H. Cohen <sup>(3)</sup>	1,705,416	3.4%	2,273,755	3.8%	
Charles M. Royce <sup>(4)</sup>	1,524,516	3.1%	2,127,470	3.6%	
<b>Independent Directors</b>					
Steven P. Novak <sup>(5)</sup>	27,410	*	30,001	*	
Barry Osherow	1,863	*	1,863	*	
George Stelljes III	34,000	*	34,000	*	
<b>Executive Officers</b>					
Saul B. Rosenthal <sup>(3)</sup>	1,543,630	3.1%	2,058,042	3.4%	
Bruce L. Rubin	8,212	*	10,949	*	
Gerald Cummins	—	—	—	—	—
<b>Executive Officers and Directors as a Group<sup>(6)</sup></b>					
	4,843,999	9.7%	6,534,814	11%	

\* Represents less than one percent

(1) Beneficial ownership has been determined in accordance with Rule 13d-3 under the Exchange Act, as amended (the "Exchange Act"). Assumes no other purchases or sales of our common stock since the information most recently available to us. This assumption has been made under the rules and regulations of the SEC and does not reflect any knowledge that we have with regard to the present intent of the beneficial owners of our common stock listed in this table. Any fractional shares owned directly or beneficially have been rounded down for purposes of this table.

(2) Based on a total of **49,871,062** **59,672,337** shares of our common stock issued and outstanding on **March 17, 2023** **March 14, 2024**.

(3) Includes approximately **1,048** **1,266** shares held by Oxford Funds, which may be deemed to be beneficially owned by Messrs. Cohen and Rosenthal by virtue of their ownership interests therein.

(4) Mr. Royce may be deemed to beneficially own **1,230,302** **1,267,324** held by Royce Family Investments, LLC and **294,214** **860,146** held by Royce Family Fund, Inc. Mr. Royce disclaims beneficial ownership of any shares directly held by Royce Family Fund, Inc. The address for both of these entities is 745 Fifth Avenue, New York, New York 10151.

(5) **These 20,001 of these** shares are held by Mr. Novak's spouse, which Mr. Novak may be deemed to beneficially own.

(6) The approximately **1,048** **1,266** shares held by Oxford Funds, described in footnote 3 above, are included in the number of shares held by each of Mr. Cohen and Mr. Rosenthal, but are only counted once in the total held by the executive officers and directors as a group.

89

Set forth below is the dollar range of equity securities beneficially owned by each of our directors as of **March 17, 2023** **March 14, 2024**.

Name of Director	Dollar Range of Equity Securities Beneficially Owned <sup>(1)(2)</sup>
<b>Interested Directors</b>	
Jonathan H. Cohen	Over \$100,000
Charles M. Royce	Over \$100,000
<b>Independent Directors</b>	
Steven P. Novak	\$50,001 – \$100,000
Barry Osherow	\$1 – \$10,000
George Stelljes III	Over \$100,000

(1) The dollar ranges are: None, \$1 – \$10,000, \$10,001 – \$50,000, \$50,001 – \$100,000, or Over \$100,000.

(2) The dollar range of equity securities beneficially owned in us is based on the closing price for our common stock of **\$3.06** **\$3.09** on **March 17, 2023** **March 14, 2024** on the NASDAQ Global Select Market. Beneficial ownership has been determined in accordance with Rule 16a-1(a)(2) of the Exchange Act.

#### **Item 13. Certain Relationships and Related Transactions, and Director Independence**

##### **Transactions with Related Persons**

We have entered into the Investment Advisory Agreement with Oxford Square Management. Oxford Square Management is controlled by Oxford Funds, its managing member. In addition to Oxford Funds, Oxford Square Management is owned by Charles M. Royce, a member of our Board, who holds a minority, non-controlling interest in Oxford Square Management as the non-managing member. Oxford Funds, as the managing member of Oxford Square Management, manages the business and internal affairs of Oxford Square Management. In addition, Oxford Funds provides us with office facilities and administrative services pursuant to the Administration Agreement.

Messrs. Cohen and Rosenthal also currently serve as Chief Executive Officer and President, respectively, at Oxford Gate Management, LLC, the investment adviser to the Oxford Gate Funds and Oxford Bridge II, LLC. Oxford Funds is the managing member of Oxford Gate Management, LLC. Management. In addition, Bruce L. Rubin serves as the Chief Financial Officer and Secretary, and Gerald Cummins serves as the Chief Compliance Officer, respectively, of Oxford Gate Management, LLC. Management.

Messrs. Cohen and Rosenthal currently serve as Chief Executive Officer and President, respectively, of Oxford Lane Capital Corp., a non-diversified closed-end management investment company that invests primarily in equity and junior debt tranches of CLO vehicles, and its investment adviser, Oxford Lane Management, LLC. Management. Oxford Funds provides Oxford Lane Capital Corp. with office facilities and administrative services pursuant to an administration agreement and also serves as the managing member of Oxford Lane Management, LLC. Management. In addition, Bruce L. Rubin serves as the Chief Financial Officer, Treasurer and Corporate Secretary of Oxford Lane Capital Corp. and Chief Financial Officer and Treasurer of Oxford Lane Management, LLC, and Mr. Cummins serves as the Chief Compliance Officer of Oxford Lane Capital Corp. and Oxford Lane Management.

Messrs. Cohen and Rosenthal also currently serve as Chief Executive Officer and President, respectively, at Oxford Park Management, LLC, the investment adviser to Oxford Park Income Fund, Inc., a non-diversified closed-end management investment company that invests primarily in equity and junior debt tranches of CLO vehicles. In addition, Bruce L. Rubin serves as the Chief Financial Officer and Secretary, and Gerald Cummins serves as the Chief Compliance Officer, respectively, of Oxford Park Income Fund, Inc. and Oxford Park Management.

As a result, certain conflicts of interest may arise with respect to the management of our portfolio by Messrs. Cohen and Rosenthal on the one hand, and the obligations of Messrs. Cohen and Rosenthal to manage Oxford Lane Capital Corp., Oxford Park Income Fund, Inc., Oxford Bridge II, LLC and the Oxford Gate Funds, respectively, on the other hand.

90

---

Oxford Square Management, Oxford Lane Management, LLC Oxford Park Management and Oxford Gate Management LLC are subject to a written policy with respect to the allocation of investment opportunities among the Company, Oxford Lane Capital Corp., Oxford Park Income Fund, Inc., Oxford Bridge II, LLC and the Oxford Gate Funds. Where investments are suitable for more than one entity, the allocation policy generally provides that, depending on size and subject to current and anticipated cash availability, the absolute size of the investment as well as its relative size compared to the total assets of each entity, current and anticipated weighted average costs of capital, among other factors, an investment amount will be determined by the adviser to each entity. If the investment opportunity is sufficient for each entity to receive its investment amount, then each entity receives the investment amount; otherwise, the investment amount is

90

---

reduced pro rata. On June 14, 2017, the Securities and Exchange Commission issued an order permitting the Company and certain of its affiliates to complete negotiated co-investment transactions in portfolio companies, subject to certain conditions (the "Order"). Subject to satisfaction of certain conditions to the Order, the Company and certain of its affiliates are now permitted, together with any future BDCs, registered closed-end funds and certain private funds, each of whose investment adviser is the Company's investment adviser or an investment adviser controlling, controlled by, or under common control with the Company's investment adviser, to co-invest in negotiated investment opportunities where doing so would otherwise be prohibited under the 1940 Act, providing the Company's stockholders with access to a broader array of investment opportunities. Pursuant to the Order, we are permitted to co-invest in such investment opportunities with our affiliates if a "required majority" (as defined in Section 57(o) of the 1940 Act) of our independent directors make certain conclusions in connection with a co-investment transaction, including, but not limited to, that (1) the terms of the potential co-investment transaction, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned, and (2) the potential co-investment transaction is consistent with the interests of our stockholders and is consistent with our then-current investment objective and strategies.

In the ordinary course of business, we may enter into transactions with portfolio companies that may be considered related party transactions. In order to ensure that we do not engage in any prohibited transactions with any persons affiliated with us, we have implemented certain policies and procedures whereby our executive officers screen each of our transactions for any possible affiliations between the proposed portfolio investment, us, companies controlled by us and our employees and directors. We will not enter into any agreements unless and until we are satisfied that doing so will not raise concerns under the 1940 Act or, if such concerns exist, we have taken appropriate actions to seek board review and approval or exemptive relief for such transaction. Our Board reviews these procedures on an annual basis.

We have also adopted a Code of Business Conduct and Ethics which applies to our senior officers, including our Chief Executive Officer and Chief Financial Officer, as well as all of our officers, directors and employees. Our Code of Business Conduct and Ethics requires that all employees and directors avoid any conflict, or the appearance of a conflict, between an individual's personal interests and our interests. Pursuant to our Code of Business Conduct and Ethics, each employee, officer and director must disclose any conflicts of interest, or actions or relationships that might give rise to a conflict. Our Audit Committee is charged with approving any waivers under our Code of Business Conduct and Ethics. As required by the NASDAQ Global Select Market corporate governance listing standards, the Audit Committee of our Board is also required to review and approve any transactions with related parties (as such term is defined in Item 404 of Regulation S-K).

## Director Independence

In accordance with rules of the NASDAQ Stock Market, our Board annually determines each director's independence. We do not consider a director independent unless our Board has determined that he or she has no material relationship with us. We monitor the relationships of our directors and officers through a questionnaire each director completes no less frequently than annually and updates periodically as information provided in the most recent questionnaire changes.

In order to evaluate the materiality of any such relationship, our Board uses the definition of director independence set forth in the rules promulgated by the NASDAQ Stock Market. Rule 5605(a)(2) provides that a director of a BDC, shall be considered to be independent if he or she is not an "interested person" of OXSQ, as defined in Section 2(a)(19) of the 1940 Act.

91

---

The Board has determined that each of the directors is independent and has no relationship with us, except as a director and stockholder, with the exception of Jonathan H. Cohen, as a result of his position as our Chief Executive Officer, and Charles M. Royce, as a result of his ownership of a minority, non-controlling interest in our investment adviser, Oxford Square Management.

91

---

## **Item 14. Principal Accountant Fees and Services**

### Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP served as the Company's independent registered public accounting firm for the years ended December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022. PricewaterhouseCoopers LLP has advised us that neither the firm nor any present member or associate of it has any material financial interest, direct or indirect, in the Company or its affiliates.

For the years ended December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022, the Company incurred the following fees for services provided by PricewaterhouseCoopers LLP including expenses:

	Fiscal Year Ended		Fiscal Year Ended		Fiscal Year Ended	
	December 31,		December 31,		December 31,	
	2022	2021	2023	2022	2023	2022
Audit Fees	\$ 895,000	\$ 984,350	\$ 1,079,903	\$ 895,000		
Audit-Related Fees	—	—	—	—	—	—
Tax Fees	—	—	—	—	—	—
All Other Fees	—	—	—	—	—	—
<b>Total Fees:</b>	<b>\$ 895,000</b>	<b>\$ 984,350</b>	<b>\$ 1,079,903</b>	<b>\$ 895,000</b>		

**Audit Fees.** Audit fees consist of fees billed for professional services rendered for the audit of our year-end financial statements, including reviews of interim financial statements, and services that are normally provided by PricewaterhouseCoopers LLP in connection with statutory and regulatory filings and services provided in connection with securities offerings.

**Audit-Related Fees.** Audit-related services consist of fees billed for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit Fees." These services include attest services that are not required by statute or regulation and consultations concerning financial accounting and reporting standards.

**Tax Fees.** Tax fees consist of fees billed for professional services for tax compliance. These services include assistance regarding federal, state, and local tax compliance.

**All Other Fees.** All other fees would include fees for products and services other than the services reported above.

### Pre-Approval Policy.

The Audit Committee has established a pre-approval policy that describes the permitted audit, audit-related, tax and other services to be provided by PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm. The policy requires that the Audit Committee pre-approve the audit and non-audit services performed by the independent auditor in order to assure that the provision of such service does not impair the auditor's independence.

Any requests for audit, audit-related, tax and other services that have not received general pre-approval must be submitted to the Audit Committee for specific pre-approval, irrespective of the amount, and cannot commence until such approval has been granted. Normally, pre-approval is provided at regularly scheduled meetings of the Audit Committee. However, the Audit Committee may delegate pre-approval authority to one or more of its members. The member or members to whom such authority is delegated shall report any pre-approval decisions to the Audit Committee at its next scheduled meeting. The Audit Committee does not delegate its responsibilities to pre-approve services performed by the independent registered public accounting firm to management.

During the year ended **December 31, 2022** **December 31, 2023**, the Audit Committee pre-approved 100% of non-audit services in accordance with the pre-approval policy described above.

---

#### PART IV

##### Item 15. Exhibits, Financial Statement Schedules

###### a. Documents Filed as Part of this Report

The following financial statements are set forth in Item 8:

	Page
<a href="#">Report of Independent Registered Public Accounting Firm</a>	F-2
<a href="#">Statements of Assets and Liabilities as of December 31, 2022 December 31, 2023 and December 31, 2021 December 31, 2022</a>	F-4
<a href="#">Schedule of Investments as of December 31, 2022 December 31, 2023</a>	F-5
<a href="#">Schedule of Investments as of December 31, 2021 December 31, 2022</a>	F-12
<a href="#">Statements of Operations for the years ended December 31, 2022 December 31, 2023, December 31, 2021 December 31, 2022 and December 31, 2020 December 31, 2021</a>	F-19
<a href="#">Statements of Changes in Net Assets for the years ended December 31, 2022 December 31, 2023, December 31, 2021 December 31, 2022 and December 31, 2020 December 31, 2021</a>	F-20
<a href="#">Statements of Cash Flows for the years ended December 31, 2022 December 31, 2023, December 31, 2021 December 31, 2022 and December 31, 2020 December 31, 2021</a>	F-21
<a href="#">Notes to Financial Statements</a>	F-22

###### b. Exhibits

The following exhibits are filed as part of this report or hereby incorporated by reference to exhibits previously filed with the SEC:

3.1	<a href="#">Articles of Incorporation (Incorporated by reference to the Registrant's Registration Statement on Form N-2 (File No. 333-109055), filed on September 23, 2003).</a>
3.2	<a href="#">Articles of Amendment (Incorporated by reference to Current Report on Form 8-K filed December 3, 2007).</a>
3.3	<a href="#">Articles of Amendment (Incorporated by reference to the Registrant's current report on Form 8-K, filed on March 20, 2018).</a>
3.4	<a href="#">Articles of Amendment (Incorporated by reference to the Registrant's current report on Form 8-K, filed on March 20, 2018).</a>
3.5	<a href="#">Fourth Amended and Restated Bylaws (Incorporated by reference to Registrant's Annual Report on Form 10-K, filed on March 7, 2022).</a>
4.1	<a href="#">Form of Share Certificate (Incorporated by reference to the Registrant's Registration Statement on Form N-2 (File No. 333-109055), filed on September 23, 2003).</a>
4.2	<a href="#">Form of Base Indenture (Incorporated by reference to Exhibit d.4 to the Registrant's Pre-Effective Amendment No. 2 to its Registration Statement on Form N-2 (File No. 333-183605), filed on January 11, 2013).</a>
4.3	<a href="#">First Supplemental Indenture, dated April 12, 2017, relating to the 6.50% Notes due 2024, by and between the Registrant and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit d.6 to the Registrant's Post-Effective Amendment No. 1 to its Registration Statement on Form N-2 (File No. 333-202672), filed on April 12, 2017).</a>

4.4	<a href="#">Form of Global Note with respect to the 6.50% Notes due 2024 (Incorporated by reference to Exhibit 4.3 hereto, and Exhibit A therein).</a>
4.5	<a href="#">Form of Second Supplemental Indenture relating to the 6.25% Notes due 2026, by and between the Registrant and U.S. Bank National Association, as trustee (Incorporated by reference to Registrant's Post-Effective Amendment No. 1 to Registration Statement on Form N-2 (File No. 333-229337) filed on April 3, 2019).</a>
4.6.4.4	<a href="#">Form of Global Note with respect to the 6.25% Notes due 2026 (Incorporated by reference to Exhibit 4.5 hereto, and Exhibit A therein)</a>
4.8.4.5	<a href="#">Description of registrant's securities*</a>
4.9.4.6	<a href="#">Third Supplemental Indenture, dated as of May 20, 2021, relating to the 5.50% Notes due 2028, by and between Oxford Square Capital Corp. and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit 4.1 to the Registrant's current report on Form 8-K filed May 20, 2021).</a>
4.10.4.7	<a href="#">Form of 5.50% Notes due 2028 (Incorporated by reference to Exhibit 4.2 to the Registrant's current report on Form 8-K filed May 20, 2021).</a>
10.1	<a href="#">Investment Advisory Agreement between Registrant and Oxford Square Management, LLC (Incorporated by reference to Exhibit 10.1 to the Registrant's report on Form 8-K filed on July 1, 2011).</a>
10.2	<a href="#">Custodian Agreement between Registrant and U.S. Bank National Association (Incorporated by reference to Exhibit 10.2 to the Registrant's report on Form 10-Q, filed on November 6, 2014).</a>
10.3	<a href="#">Amended and Restated Administration Agreement between Registrant and Oxford Funds, LLC (Incorporated by reference to Exhibit 10.3 to the Registrant's quarterly report on Form 10-Q filed on May 10, 2012).</a>
10.4	<a href="#">Second Amended and Restated Distribution Reinvestment Plan (Incorporated by reference to Exhibit 10.4 to the Registrant's report on Form 10-K filed on March 4, 2015).</a>

94

10.5	<a href="#">Oxford Square Management, LLC's Fee Waiver Letter, dated March 9, 2016 (Incorporated by reference to Exhibit 10.1 to the Registrant's report on Form 8-K, filed on March 10, 2016).</a>
10.6	<a href="#">Equity Distribution Agreement, dated August 1, 2019, by and among Oxford Square Capital Corp., Oxford Square Management, LLC, Oxford Funds, LLC, and Ladenburg Thalmann &amp; Co. Inc. (Incorporated by reference to Registrant's Post-Effective Amendment No. 2 to Registration Statement on Form N-2 (File No. 333-229337) filed on August 1, 2019).</a>

94

10.7	<a href="#">Amendment No. 1 to the Equity Distribution Agreement, dated as of August 22, 2023, by and among Oxford Square Capital Corp., Oxford Square Management, LLC, Oxford Funds, LLC and Ladenburg Thalmann &amp; Co. Inc., as sales agent (Incorporated by reference to Registrant's report on Form 8-K filed on August 23, 2023).</a>
14.1	<a href="#">Code of Business Conduct and Ethics. (Incorporated by reference to Exhibit 14.1 to the Registrant's report on Form 8-K, filed on March 2, 2017).</a>
21.1	<a href="#">Subsidiaries of Registrant and jurisdiction of incorporation/organization: Oxford Square Funding 2018, LLC — Delaware. None</a>
23.1	<a href="#">Consent of PricewaterhouseCoopers LLP*</a>
31.1	<a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.*</a>
31.2	<a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.*</a>
32.1	<a href="#">Certification of Chief Executive Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.*</a>
32.2	<a href="#">Certification of Chief Financial Officer pursuant to Section 906 of The Sarbanes-Oxley Act of 2002.*</a>
97.1	<a href="#">Oxford Square Capital Corp. Clawback Policy*</a>

\* Filed herewith.

**c. Financial statement schedule**

**Item 16. Form 10-K Summary**

None.

---

95

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

OXFORD SQUARE CAPITAL CORP.

Date: March 23, 2023 18, 2024

---

/s/ JONATHAN H. COHEN

**Jonathan H. Cohen**  
**Chief Executive Officer**  
**(Principal Executive Officer)**

Date: March 23, 2023 18, 2024

---

/s/ BRUCE L. RUBIN

**Bruce L. Rubin**  
**Chief Financial Officer**  
**(Principal Financial and Accounting Officer)**

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacity and on the dates indicated.

Date: March 23, 2023 18, 2024

---

/s/ STEVEN P. NOVAK

**Steven P. Novak**  
**Chairman of the Board of Directors**

Date: March 23, 2023 18, 2024

---

/s/ JONATHAN H. COHEN

**Jonathan H. Cohen**  
**Chief Executive Officer and Director**  
**(Principal Executive Officer)**

Date: March 23, 2023 18, 2024

---

/s/ BARRY OSHEROW

**Barry Osherow**  
**Director**

Date: March 23, 2023 18, 2024

---

/s/ CHARLES M. ROYCE

**Charles M. Royce**  
**Director**

Date: March 23, 2023 18, 2024

---

/s/ GEORGE STELLJES III

**George Stelljes III**  
**Director**

---

96

**Exhibit 4.8**

**DESCRIPTION OF SECURITIES**

As of December 31, 2022 December 31, 2023, Oxford Square Capital Corp. ("OXSQ," the "Company," "we," "us" or "our") had four three classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended: (A) our common stock, \$0.01 par value per share; (B) our 6.50% Notes due 2024 and (C) (B) our 6.25% Notes due 2026 and (D) (C) our 5.50% Notes due 2028.

In this exhibit, references to "OXSQ," "we," "us" and "our" refer only to OXSQ and not any of its subsidiaries.

Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Annual Report on Form 10-K to which this Description of Securities is attached as an exhibit.

#### **A. Common Stock, \$0.01 par value per share ("Common Stock")**

The statements made under this caption include summaries of certain provisions contained in our Articles of Amendment and Restatement, as amended, (the "articles") and Fourth Amended and Restated Bylaws, as amended, (the "bylaws") each of which is incorporated by reference as an exhibit to our Annual Report on Form 10-K of which this Exhibit 4.8 is a part. This summary does not purport to be complete and is qualified in its entirety by reference to our articles, bylaws, and the applicable provisions of the Maryland General Corporation Law.

Our authorized capital stock consists of 100,000,000 shares of stock, par value \$0.01 per share, all of which is initially designated as common stock. As of December 31, 2022 December 31, 2023, there were 49,844,796 59,300,472 shares outstanding. We have listed our Common Stock on the NASDAQ Global Select Market under the ticker symbol "OXSQ". There are no outstanding options or warrants to purchase our stock. No stock has been authorized for issuance under any equity compensation plans. Under Maryland law, our stockholders generally are not personally liable for our debts or obligations.

Under our charter, the board of directors of the Company ("Board of Directors") is authorized to classify and reclassify any unissued shares of stock into other classes or series of stock without obtaining stockholder approval. As permitted by the Maryland General Corporation Law, our charter provides that the Board of Directors, without any action by our stockholders, may amend the charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that we have authority to issue.

All shares of our Common Stock have equal rights as to earnings, assets, distributions and voting privileges and, when they are issued, will be duly authorized, validly issued, fully paid and nonassessable. Distributions may be paid to the holders of our Common Stock if, as and when authorized by our Board of Directors and declared by us out of assets legally available therefor. Shares of our Common Stock have no preemptive, conversion or redemption rights and are freely transferable, except where their transfer is restricted by federal and state securities laws or by contract. In the event of our liquidation, dissolution or winding up, each share of our Common Stock would be entitled to share rateably in all of our assets that are legally available for distribution after we pay all debts and other liabilities and subject to any preferential rights of holders of our preferred stock, if any preferred stock is outstanding at such time. Each share of our Common Stock is entitled to one vote on all matters submitted to a vote of stockholders, including the election of directors. Except as provided with respect to any other class or series of stock, the holders of our Common Stock will possess exclusive voting power. There is no cumulative voting in the election of directors, which means that holders of a majority of the outstanding shares of Common Stock can elect all of our directors, and holders of less than a majority of such shares are unable to elect any director.

#### Limitation on Liability of Directors and Officers; Indemnification and Advance of Expenses

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our charter contains such a provision which eliminates directors' and officers' liability to the maximum extent permitted by Maryland law, subject to the requirements of the 1940 Act.

---

Our charter authorizes us, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, to indemnify any present or former director or officer or any individual who, while serving as our director or officer and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee, from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her service in such capacity and to pay or reimburse their reasonable expenses in advance of final disposition of a proceeding. Our bylaws obligate us, to the maximum extent permitted by Maryland law and subject to the requirements of the 1940 Act, to indemnify any present or former director or officer or any individual who, while serving as our director or officer and at our request, serves or has served another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or other enterprise as a director, officer, partner or trustee and who is made, or threatened to be made, a party to the proceeding by reason of his or her service in that capacity from and against any claim or liability to which that person may become subject or which that person may incur by reason of his or her service in any such capacity and to pay or reimburse his or her reasonable expenses in advance of final disposition of a proceeding. The charter and bylaws also permit us to indemnify and advance expenses to any person who served a predecessor of us in any of the capacities described above and any of our employees or agents or any employees or agents of our predecessor. In accordance with the 1940 Act, we will not indemnify any person for any liability to which such person would be subject by reason of such person's willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office.

Maryland law requires a corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service in that capacity. Maryland law permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (1) was committed in bad faith or (2) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, under Maryland law, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that a personal benefit was improperly received, unless in either case a court orders indemnification, and then only for expenses. In addition, Maryland law permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or her or on his or her behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the standard of conduct was not met.

Our insurance policy does not currently provide coverage for claims, liabilities and expenses that may arise out of activities that our present or former directors or officers have performed for another entity at our request. There is no assurance that such entities will in fact carry such insurance. However, we note that we do not expect to request our present or former directors or officers to serve another entity as a director, officer, partner or trustee unless we can obtain insurance providing coverage for such persons for any claims, liabilities or expenses that may arise out of their activities while serving in such capacities.

Certain Provisions of the Maryland General Corporation Law and our Charter and Bylaws

The Maryland General Corporation Law and our charter and bylaws contain provisions that could make it more difficult for a potential acquirer to acquire us by means of a tender offer, proxy contest or otherwise. These provisions are expected to discourage certain coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to negotiate first with our Board of Directors. We believe that the benefits of these provisions outweigh the potential disadvantages of discouraging any such acquisition proposals because, among other things, the negotiation of such proposals may improve their terms.

---

*Classified Board of Directors*

Our Board of Directors is divided into three classes of directors serving staggered three-year terms. The current terms of the first, second and third classes expire in 2022, 2023 2024, 2025 and 2024, 2026, respectively, and in each case, those directors will serve until their successors are elected and qualify. Upon expiration of their current terms, directors of each class will be elected to serve for three-year terms and until their successors are duly elected and qualify and each year one class of directors will be elected by the stockholders. A classified board may render a change in control of us or removal of our incumbent management more difficult. We believe, however, that the longer time required to elect a majority of a classified Board of Directors will help to ensure the continuity and stability of our management and policies.

*Election of Directors*

Our bylaws currently provide that a plurality of all votes cast at a meeting of stockholders duly called and at which a quorum is present shall be sufficient to elect a director. Pursuant to our charter, our Board of Directors may amend our bylaws to alter the vote required to elect directors.

*Number of Directors; Vacancies; Removal*

Our charter provides that the number of directors is set only by our Board of Directors in accordance with our bylaws. Our bylaws provide that a majority of our entire Board of Directors may at any time increase or decrease the number of directors. However, the number of directors may never be less than one nor more than twelve. Except as may be provided by our Board of Directors in setting the terms of any class or series of preferred stock, any and all vacancies on our Board of Directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy will serve for the remainder of the full term of the directorship in which the vacancy occurred and until a successor is elected and qualifies, subject to any applicable requirements of the 1940 Act.

Under Maryland law, a director on a classified board may be removed only for cause and then only by the affirmative vote of at least a majority of the votes entitled to be cast in the election of directors.

*Action by Stockholders*

The Maryland General Corporation Law provides that stockholder action can be taken only at an annual or special meeting of stockholders or by unanimous written consent in lieu of a meeting. These provisions, combined with the requirements of our bylaws regarding the calling of a stockholder-requested special meeting of stockholders discussed below, may have the effect of delaying consideration of a stockholder proposal until the next annual meeting.

*Advance Notice Provisions for Stockholder Nominations and Stockholder Proposals*

Our bylaws provide that with respect to an annual meeting of stockholders, nominations of persons for election to our Board of Directors and the proposal of business to be considered by stockholders may be made only (1) pursuant to our notice of the meeting, (2) by or at the direction of our Board of Directors or (3) by any stockholder who was a stockholder of record both at the time of giving of notice and at the time of the annual meeting, is entitled to vote at the meeting and who has complied with the advance notice procedures of our bylaws. With respect to special meetings of stockholders, only the business specified in our notice of the meeting may be brought before the meeting. Nominations of persons for election to our Board of Directors at a special meeting may be made only (1) pursuant to our notice of the meeting, (2) by or at the direction of our Board of Directors or (3) provided that our Board of Directors has determined that directors will be elected at the meeting, by any stockholder who was a stockholder of record both at the time of giving of notice and at the time of the annual meeting, is entitled to vote at the meeting and who has complied with the advance notice provisions of the bylaws.

The purpose of requiring stockholders to give us advance notice of nominations and other business is to afford our Board of Directors a meaningful opportunity to consider the qualifications of the proposed nominees and the advisability of any other proposed business and, to the extent deemed necessary or desirable by our Board of Directors, to inform stockholders and make recommendations about such qualifications or business, as well as to provide a more orderly procedure for conducting meetings of stockholders. Although our bylaws do not give

---

our Board of Directors any power to disapprove stockholder nominations for the election of directors or proposals recommending certain action, certain provisions of our bylaws may have the effect of precluding a contest for the election of directors or the consideration of stockholder proposals if proper procedures are not followed and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its own proposal without regard to whether consideration of such nominees or proposals might be harmful or beneficial to us and our stockholders.

*Calling of Special Meetings of Stockholders*

Our bylaws provide that special meetings of stockholders may be called by or at the request of the Chairman of Board of Directors, the president or by a majority of the directors then in office. Additionally, our bylaws provide that, subject to the satisfaction of certain procedural and informational requirements by the stockholders requesting the meeting, a special meeting of stockholders will be called by the secretary of the corporation upon the written request of stockholders entitled to cast not less than a majority of all the votes entitled to be cast at such meeting.

*Approval of Extraordinary Corporate Action; Amendment of Charter and Bylaws*

Under Maryland law, a Maryland corporation generally cannot dissolve, amend its charter, merge, sell all or substantially all of its assets, engage in a share exchange or engage in similar transactions outside the ordinary course of business, unless approved by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter. However, a Maryland corporation may provide in its charter for approval of these matters by a lesser

percentage, but not less than a majority of all of the votes entitled to be cast on the matter. Under our charter, provided that at least 75% of our directors then in office have approved and declared the action advisable and submitted such action to the stockholders, our dissolution, an amendment to our charter that requires stockholder approval, a merger, or a sale of all or substantially all of our assets or a similar transaction outside the ordinary course of business, must be approved by the affirmative vote of stockholders entitled to cast at least a majority of the votes entitled to be cast on the matter. If an extraordinary matter submitted to stockholders by our Board of Directors is approved and advised by less than 75% of our directors, such matter will require approval by the affirmative vote of stockholders entitled to cast at least two-thirds of the votes entitled to be cast on the matter.

Our charter and bylaws provide that our Board of Directors will have the exclusive power to make, alter, amend or repeal any provision of our bylaws.

#### *No Appraisal Rights*

Except with respect to appraisal rights arising in connection with the Control Share Act discussed below, as permitted by the Maryland General Corporation Law, our charter provides that stockholders will not be entitled to exercise appraisal rights unless a majority of our Board of Directors shall determine such rights apply.

#### *Control Share Acquisitions*

The Maryland General Corporation Law provides that control shares of a Maryland corporation acquired in a control share acquisition have no voting rights except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter, or the "Control Share Act." Shares owned by the acquirer, by officers or by directors who are employees of the corporation are excluded from shares entitled to vote on the matter. Control shares are voting shares of stock which, if aggregated with all other shares of stock owned by the acquirer or in respect of which the acquirer is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquirer to exercise voting power in electing directors within one of the following ranges of voting power:

- one-tenth or more but less than one-third;
- one-third or more but less than a majority; or
- a majority or more of all voting power.

---

The requisite stockholder approval must be obtained each time an acquirer crosses one of the thresholds of voting power set forth above. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained stockholder approval. A control share acquisition means the acquisition of control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition may compel the Board of Directors of the corporation to call a special meeting of stockholders to be held within 50 days of demand to consider the voting rights of the shares. The right to compel the calling of a special meeting is subject to the satisfaction of certain conditions, including an undertaking to pay the expenses of the meeting. If no request for a meeting is made, the corporation may itself present the question at any stockholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an acquiring person statement as required by the statute, then the corporation may redeem for fair value any or all of the control shares, except those for which voting rights have previously been approved. The right of the corporation to redeem control shares is subject to certain conditions and limitations,

including, compliance with the 1940 Act. Fair value is determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquirer or of any meeting of stockholders at which the voting rights of the shares are considered and not approved. If voting rights for control shares are approved at a stockholders meeting and the acquirer becomes entitled to vote a majority of the shares entitled to vote, all other stockholders may exercise appraisal rights. The fair value of the shares as determined for purposes of appraisal rights may not be less than the highest price per share paid by the acquirer in the control share acquisition.

The Control Share Act does not apply (a) to shares acquired in a merger, consolidation or share exchange if the corporation is a party to the transaction or (b) to acquisitions approved or exempted by the charter or bylaws of the corporation. Our bylaws contain a provision exempting from the Control Share Act any and all acquisitions by any person of our shares of stock. There can be no assurance that such provision will not be amended or eliminated at any time in the future. However, we will amend our bylaws to be subject to the Control Share Act only if the Board of Directors determines that it would be in our best interests, ~~and if~~ the SEC staff does not object to our determination that our being subject to the Control Share Act does not conflict with the 1940 ~~Act. Act~~ and such amendment otherwise complies with applicable law. The SEC had previously issued informal guidance setting forth its position that certain provisions of the Control Share Act would, if implemented, violate Section 18(i) of the 1940 Act. The SEC subsequently withdrew this guidance and indicated that it would not recommend enforcement action against a company that implements a Control Share Act, if the decision by the board of a company to implement the Control Share Act was taken with reasonable care on a basis consistent with other applicable duties and laws and the duty to the fund and its ~~shareholders~~ stockholders generally.

#### *Business Combinations*

Under Maryland law, "business combinations" between a Maryland corporation and an interested stockholder or an affiliate of an interested stockholder are prohibited for five years after the most recent date on which the interested stockholder becomes an interested stockholder, or the "Business Combination Act." These business combinations include a merger, consolidation, share exchange or, in circumstances specified in the statute, an asset transfer or issuance or reclassification of equity securities. An interested stockholder is defined as:

- any person who beneficially owns 10% or more of the voting power of the corporation's outstanding voting stock; or
- an affiliate or associate of the corporation who, at any time within the two-year period prior to the date in question, was the beneficial owner of 10% or more of the voting power of the then outstanding voting stock of the corporation.

A person is not an interested stockholder under this statute if our Board of Directors approved in advance the transaction by which the stockholder otherwise would have become an interested stockholder. However, in approving a transaction, our Board of Directors may provide that its approval is subject to compliance, at or after the time of approval, with any terms and conditions determined by the board.

---

After the five-year prohibition, any business combination between the Maryland corporation and an interested stockholder generally must be recommended by the board of directors of the corporation and approved by the affirmative vote of at least:

- 80% of the votes entitled to be cast by holders of outstanding shares of voting stock of the corporation; and

- two-thirds of the votes entitled to be cast by holders of voting stock of the corporation other than shares held by the interested stockholder with whom or with whose affiliate the business combination is to be effected or held by an affiliate or associate of the interested stockholder.

These super-majority vote requirements do not apply if the corporation's common stockholders receive a minimum price, as defined under Maryland law, for their shares in the form of cash or other consideration in the same form as previously paid by the interested stockholder for its shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by our Board of Directors before the time that the interested stockholder becomes an interested stockholder. Our Board of Directors has adopted a resolution that any business combination between us and any other person is exempted from the provisions of the Business Combination Act, provided that the business combination is first approved by our Board of Directors, including a majority of the directors who are not interested persons as defined in the 1940 Act. This resolution may be altered or repealed in whole or in part at any time; however, our Board of Directors will adopt resolutions so as to make us subject to the provisions of the Business Combination Act only if our Board of Directors determines that it would be in our best interests and if the SEC staff does not object to our determination that our being subject to the Business Combination Act does not conflict with the 1940 Act. If this resolution is repealed, or our Board of Directors does not otherwise approve a business combination, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer.

*Conflict with 1940 Act*

Our bylaws provide that, if and to the extent that any provision of the Maryland General Corporation Law, including the Control Share Act (if we amend our bylaws to be subject to such Act) and the Business Combination Act, or any provision of our charter or bylaws conflicts with any provision of the 1940 Act, the applicable provision of the 1940 Act will control.

**B. Debt Securities — 6.50% Notes due 2024**

In April 2017, we issued \$64,370,225 in aggregate principal amount of notes due March 2024 (the "2024 Notes"). As of December 31, 2022, we had \$64,370,225 in aggregate principal amount of the 2024 Notes outstanding. We have listed the 2024 Notes on The Nasdaq Global Select Market under the trading symbol "OXSQ.L."

The 2024 Notes were issued under a base indenture, dated as of April 12, 2017, and the first supplemental indenture thereto, entered into between us and U.S. Bank National Association, as trustee (together, the "2024 Indenture"). The 2024 Notes are governed by the 2024 Indenture, as required by federal law for all bonds and notes of companies that are publicly offered. An indenture is a contract between us and the financial institution acting as trustee on the holders' behalf, and is subject to and governed by the Trust Indenture Act of 1939, as amended. The trustee has two main roles. First, the trustee can enforce the holders' rights against us if we default. There are some limitations on the extent to which the trustee acts on the holders' behalf, described in the second paragraph under "— Events of Default — Remedies if an Event of Default Occurs." Second, the trustee performs certain administrative duties for us with respect to our 2024 Notes.

This section includes a description of the material terms of the 2024 Notes and the 2024 Indenture. Because this section is a summary, however, it does not describe every aspect of the 2024 Notes and the 2024 Indenture. The 2024 Indenture, and not this exhibit, defines a holder's rights as a holder of the 2024 Notes. The base indenture and the second supplemental indenture have been incorporated by reference as exhibits to the annual report to which this exhibit is attached.

## General

The 2024 Notes will mature on March 30, 2024. The principal payable at maturity will be 100% of the aggregate principal amount. The interest rate of the Notes is 6.50% per year and will be paid every March 30, June 30, September 30, and December 30, beginning June 30, 2017, and the regular record dates for interest payments will be every March 15, June 15, September 15, and December 15, beginning June 15, 2017. If an interest payment date falls on a non-business day, the applicable interest payment will be made on the next business day and no additional interest will accrue as a result of such delayed payment. The initial interest period was the period from and including April 12, 2017, to, but excluding, the initial interest payment date, and the subsequent interest periods will be the periods from and including an interest payment date to, but excluding, the next interest payment date or the stated maturity date, as the case may be.

We issued the 2024 Notes in denominations of \$25 and integral multiples of \$25 in excess thereof. The 2024 Notes are not subject to any sinking fund and holders of the 2024 Notes do not have the option to have the 2024 Notes repaid prior to the stated maturity date.

Except as described under the captions “— Events of Default,” “— Other Covenants,” and “— Merger or Consolidation” in this exhibit, the 2024 Indenture does not contain any provisions that give the holders protection in the event we issue a large amount of debt or we are acquired by another entity.

We have the ability to issue indenture securities with terms different from the 2024 Notes and, without the consent of the holders thereof, to reopen the 2024 Notes and issue additional 2024 Notes.

## Optional Redemption

The 2024 Notes may currently be redeemed in whole or in part at any time or from time to time at our option (on or after March 30, 2020) upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount of the Notes to be redeemed plus accrued and unpaid interest payments otherwise payable thereon for the then-current quarterly interest period accrued to the date fixed for redemption.

The holders may be prevented from exchanging or transferring the 2024 Notes when they are subject to redemption. In case any 2024 Notes are to be redeemed in part only, the redemption notice will provide that, upon surrender of such 2024 Notes, the holder will receive, without a charge, a new note or notes of authorized denominations representing the principal amount of the holder's remaining unredeemed 2024 Notes. Any exercise of our option to redeem the 2024 Notes will be done in compliance with the 1940 Act.

If we redeem only some of the 2024 Notes, the trustee or, with respect to global securities, The Depository Trust Company, New York, New York, known as DTC, will determine the method for selection of the particular 2024 Notes to be redeemed, in accordance with the 2024 Indenture and the 1940 Act and in accordance with the rules of The Nasdaq Global Select Market, where the 2024 Notes are listed. Unless we default in payment of the redemption price, on and after the date of redemption, interest will cease to accrue on the 2024 Notes called for redemption.

## Global Securities

Each 2024 Note will be issued in book-entry form and represented by a global security that we deposit with and register in the name of DTC, or its nominee. A global security may not be transferred to or registered in the name of anyone other than the depositary or its nominee, unless special termination situations arise. As a result of these arrangements, the depositary, or its nominee, will be the sole registered owner and holder of all the 2024 Notes represented by a global security, and

investors will be permitted to own only beneficial interests in a global security. For more information about these arrangements, see “— Book-Entry Procedures” below.

#### ***Termination of a Global Security***

If a global security is terminated for any reason, interests in it will be exchanged for certificates in non-book-entry form (certificated securities). After that exchange, the choice of whether to hold the certificated 2024 Notes directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in a global security transferred on termination to their own names, so that they will be holders.

---

#### ***Payment and Paying Agents***

We will pay interest to the person listed in the trustee's records as the owner of the 2024 Notes at the close of business on a particular day in advance of each due date for interest, even if that person no longer owns the Note on the interest due date. That day, usually about two weeks in advance of the interest due date, is called the “record date.” Because we will pay all the interest for an interest period to the holders on the record date, holders buying and selling the 2024 Notes must work out between themselves the appropriate purchase price. The most common manner is to adjust the sales price of the 2024 Notes to prorate interest fairly between buyer and seller based on their respective ownership periods within the particular interest period. This prorated interest amount is called “accrued interest.”

#### ***Payments on Global Securities***

We will make payments on the 2024 Notes so long as they are represented by a global security in accordance with the applicable policies of the depositary as in effect from time to time. Under those policies, we will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in the global security. An indirect holder's right to those payments is governed by the rules and practices of the depositary and its participants, as described under “— Book-Entry Procedures.”

#### ***Payments on Certificated Securities***

In the event the 2024 Notes become represented by certificated securities, we will make payments on the 2024 Notes as follows. We will pay interest that is due on an interest payment date to the holder of the 2024 Notes as shown on the trustee's records as of the close of business on the regular record date at our office in New York, New York. We will make all payments of principal and premium, if any, by check at the office of the applicable trustee in New York, New York and/or at other offices that may be specified in a notice to holders against surrender of the Note.

Alternatively, at our option, we may pay any cash interest that becomes due on the 2024 Notes by mailing a check to the holder at his, her or its address shown on the trustee's records as of the close of business on the regular record date or by transfer to an account at a bank in the United States, in either case, on the due date.

#### ***Payment When Offices Are Closed***

If any payment is due on the 2024 Notes on a day that is not a business day, we will make the payment on the next day that is a business day. Payments made on the next business day in this situation is treated under the 2024 Indenture as if they were made on the original due date. Such payment will not result in a default under the 2024 Notes or the 2024 Indenture, and no interest will accrue on the payment amount from the original due date to the next day that is a business day.

**Book-entry and other indirect holders should consult their banks or brokers for information on how they will receive payments on the 2024 Notes.**

#### **Events of Default**

Holders will have rights if an Event of Default occurs in respect of the 2024 Notes, as described later in this subsection.

The term "Event of Default" in respect of the 2024 Notes means any of the following:

- we do not pay the principal (or premium, if any) of any 2024 Note when due;
- we do not pay interest on any 2024 Note when due, and such default is not cured within 30 days;
- we remain in breach of a covenant in respect of the 2024 Notes for 60 days after we receive a written notice of default stating we are in breach (the notice must be sent by either the trustee or holders of at least 25% of the principal amount of the 2024 Notes);
- we file for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur and in the case of certain orders or decrees entered against us under bankruptcy law, such order or decree remains undischarged or unstayed for a period of 60 days; or
- on the last business day of each of twenty-four consecutive calendar months, the 2024 Notes have the asset coverage, as defined in the 1940 Act, of less than 100% after giving effect to any exemptive relief granted to us by the SEC.

An Event of Default for the 2024 Notes does not necessarily constitute an Event of Default for any other series of debt securities issued under the same or any other indenture. The trustee may withhold notice to the holders of the 2024 Notes of any default, except in the payment of principal or interest, if it in good faith considers the withholding of notice to be in the best interests of the holders.

#### **Remedies if an Event of Default Occurs**

If an Event of Default has occurred and is continuing, the trustee or the holders of not less than 25% in principal amount of the 2024 Notes may declare the entire principal amount of all the 2024 Notes to be due and immediately payable. This is called a declaration of acceleration of maturity. In certain circumstances, a declaration of acceleration of maturity may be canceled by the holders of a majority in principal amount of the 2024 Notes if (1) we have deposited with the trustee all amounts due and owing with respect to the 2024 Notes (other than principal that has become due solely by reason of such acceleration) and certain other amounts, and (2) any other Events of Default have been cured or waived.

Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the 2024 Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability (called an "indemnity"). If reasonable indemnity is provided, the holders of a majority in principal amount of the 2024 Notes may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. The trustee may refuse to follow those directions in certain circumstances. No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy or Event of Default.

Before a holder is allowed to bypass the trustee and bring its own lawsuit or other formal legal action or take other steps to enforce its rights or protect its interests relating to the 2024 Notes, the following must occur:

- the holder must give the trustee written notice that an Event of Default has occurred and remains uncured;
- the holders of at least 25% in principal amount of all the 2024 Notes must make a written request that the trustee take action because of the default and must offer reasonable indemnity, security, or both to the trustee against the cost, expenses, and other liabilities of taking that action;
- the trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity and/or security; and
- the holders of a majority in principal amount of the 2024 Notes must not have given the trustee a direction inconsistent with the above notice during that 60-day period.

However, the holder is entitled at any time to bring a lawsuit for the payment of money due on its 2024 Notes on or after the due date.

**Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of maturity.**

Each year, we will furnish to the trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the 2024 Indenture and the 2024 Notes, or else specifying any default.

#### ***Waiver of Default***

The holders of a majority in principal amount of the 2024 Notes may waive any past defaults other than other than:

- the payment of principal or interest; or
- in respect of a covenant that cannot be modified or amended without the consent of each holder.

#### ***Merger or Consolidation***

Under the terms of the 2024 Indenture, we are generally permitted to consolidate or merge with another entity. We are also permitted to sell all or substantially all of our assets to another entity. However, we may not take any of these actions unless all the following conditions are met:

- where we merge out of existence or convey or transfer our assets substantially as an entirety, the resulting entity must agree to be legally responsible for our obligations under the 2024 Notes;
- the merger or sale of assets must not cause a default on the 2024 Notes and we must not already be in default (unless the merger or sale would cure the default). For purposes of this no-default test, a default would include an Event of Default that has occurred and has not been cured, as described under "Events of Default" above. A default for this purpose would also include any event that would be an Event of Default if the requirements for giving us a notice of default or our default having to exist for a specific period of time were disregarded; and
- we must deliver certain certificates and documents to the trustee.

#### ***Modification or Waiver***

There are three types of changes we can make to the 2024 Indenture and the 2024 Notes issued thereunder.

#### *Changes Requiring Approval*

First, there are changes that we cannot make to the 2024 Notes without the holders' specific approval. The following is a list of those types of changes:

- change the stated maturity of the principal or interest on the 2024 Notes;
- reduce any amounts due on the 2024 Notes;
- reduce the amount of principal payable upon acceleration of the maturity of a Note following a default;
- change the place or currency of payment on a 2024 Note;
- impair the holder's right to sue for payment;
- reduce the percentage of holders of 2024 Notes whose consent is needed to modify or amend the 2024 Indenture; and
- reduce the percentage of holders of 2024 Notes whose consent is needed to waive compliance with certain provisions of the 2024 Indenture or to waive certain defaults.

#### *Changes Not Requiring Approval*

The second type of change does not require any vote by the holders of the 2024 Notes. This type is limited to clarifications and certain other changes that would not adversely affect holders of the 2024 Notes in any material respect.

---

#### *Changes Requiring Majority Approval*

Any other change to the 2024 Indenture and the 2024 Notes would require the following approval:

- if the change affects only the 2024 Notes, it must be approved by the holders of a majority in principal amount of the 2024 Notes; and
- if the change affects more than one series of debt securities issued under the same indenture, it must be approved by the holders of a majority in principal amount of all of the series affected by the change, with all affected series voting together as one class for this purpose.

In each case, the required approval must be given by written consent.

The holders of a majority in principal amount of all of the series of debt securities issued under an indenture, voting together as one class for this purpose, may waive our compliance with some of our covenants in that indenture. However, we cannot obtain a waiver of a payment default or of any of the matters covered by the bullet points included above under "— Changes Requiring Approval."

#### *Further Details Concerning Voting*

When taking a vote, we will use the following rules to decide how much principal to attribute to the 2024 Notes:

The 2024 Notes will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust money for their payment or redemption. The 2024 Notes will also not be eligible to vote if they have been fully defeased as described later under "— Defeasance — Full Defeasance."

We will generally be entitled to set any day as a record date for the purpose of determining the holders of the 2024 Notes that are entitled to vote or take other action under the 2024 Indenture.

However, the record date may not be more than 30 days before the date of the first solicitation of holders to vote on or take such action. If we set a record date for a vote or other action to be taken by holders of the 2024 Notes, that vote or action may be taken only by persons who are holders of the 2024 Notes on the record date and must be taken within eleven months following the record date.

**Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the 2024 Indenture or the 2024 Notes or request a waiver.**

#### **Defeasance**

The following defeasance provisions are applicable to the 2024 Notes. "Defeasance" means that, by depositing with a trustee an amount of cash and/or government securities sufficient to pay all principal and interest, if any, on the 2024 Notes when due and satisfying any additional conditions noted below, we will be deemed to have been discharged from our obligations under the 2024 Notes. In the event of a "covenant defeasance," upon depositing such funds and satisfying similar conditions discussed below we would be released from certain covenants under the 2024 Indenture relating to the 2024 Notes. The consequences to the holders of the 2024 Notes is that, while they no longer benefit from the restrictive covenants under the 2024 Indenture, and while the 2024 Notes may not be accelerated for any reason, the holders of 2024 Notes nonetheless are guaranteed to receive the principal and interest owed to them.

#### **Covenant Defeasance**

Under current U.S. federal tax law and the 2024 Indenture, we can make the deposit described below and be released from some of the restrictive covenants in the 2024 Indenture. This is called "covenant defeasance." In that event, a holder would lose the protection of those restrictive covenants but would gain the protection of having money and government securities set aside in trust to repay the holder's 2024 Notes. If we achieve covenant defeasance and your Notes were subordinated as described under "Indenture Provisions — Ranking" below, such

---

subordination would not prevent the trustee under the indenture from applying the funds available to it from the deposit described in the first bullet to the payment of amounts due in respect of such debt securities for the benefit of the subordinated debtholders. In order to achieve covenant defeasance, we must do the following:

- Since the 2024 Notes are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of the 2024 Notes a combination of cash and U.S. government or U.S. government agency 2024 Notes or bonds that will generate enough cash to make interest, principal and any other payments on the 2024 Notes on their various due dates;
- we must deliver to the trustee a legal opinion of our counsel confirming that, under current U.S. federal income tax law, we may make the above deposit without causing the holders to be taxed on the 2024 Notes any differently than if we did not make the deposit;
- we must deliver to the trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the 1940 Act, and a legal opinion and officers' certificate stating that all conditions precedent to covenant defeasance have been complied with;
- defeasance must not result in a breach or violation of, or result in a default under, the 2024 Indenture or any of our other material agreements or instruments; and
- no default or event of default with respect to the 2024 Notes shall have occurred and be continuing and no defaults or events of default related to bankruptcy, insolvency or

reorganization shall occur during the next 90 days.

If we accomplish covenant defeasance, a holder can still look to us for repayment of the 2024 Notes if there were a shortfall in the trust deposit or the trustee is prevented from making payment. In fact, if one of the remaining Events of Default occurred (such as our bankruptcy) and the 2024 Notes became immediately due and payable, there might be a shortfall. Depending on the event causing the default, the holder may not be able to obtain payment of the shortfall.

#### *Full Defeasance*

If there is a change in U.S. federal tax law, as described below, we can legally release ourselves from all payment and other obligations on the 2024 Notes (called "full defeasance") if we put in place the following other arrangements for the holders to be repaid:

- Since the 2024 Notes are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of the 2024 Notes a combination of money and U.S. government or U.S. government agency 2024 Notes or bonds that will generate enough cash to make interest, principal and any other payments on the 2024 Notes on their various due dates;
- we must deliver to the trustee a legal opinion confirming that there has been a change in current U.S. federal tax law or a U.S. Internal Revenue Service ruling that allows us to make the above deposit without causing a holder to be taxed on the 2024 Notes any differently than if we did not make the deposit. Under current U.S. federal tax law the deposit and our legal release from the 2024 Notes would be treated as though we paid a holder its share of the cash and 2024 Notes or bonds at the time the cash and 2024 Notes or bonds were deposited in trust in exchange for a holder's 2024 Notes and a holder would recognize gain or loss on the 2024 Notes at the time of the deposit;
- we must deliver to the trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the 1940 Act, and a legal opinion and officers' certificate stating that all conditions precedent to defeasance have been complied with;
- defeasance must not result in a breach or violation of, or constitute a default under, of the 2024 Indenture or any of our other material agreements or instruments; and
- no default or event of default with respect to the 2024 Notes shall have occurred and be continuing and no defaults or events of default related to bankruptcy, insolvency or reorganization shall occur during the next 90 days.

---

If we ever did accomplish full defeasance, as described above, a holder would have to rely solely on the trust deposit for repayment of the 2024 Notes. The holders could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever became bankrupt or insolvent. If the holder's 2024 Notes were subordinated as described later under "— Indenture Provisions — Ranking," such subordination would not prevent the trustee under the 2024 Indenture from applying the funds available to it from the deposit referred to in the first bullet of the preceding paragraph to the payment of amounts due in respect of such 2024 Notes for the benefit of the subordinated debtholders.

#### **Other Covenants**

In addition to any other covenants described in this exhibit, as well as standard covenants relating to payment of principal and interest, maintaining an office where payments may be made or securities can be surrendered for payment, payment of taxes by the Company and related matters, the following covenants will apply to the 2024 Notes:

- We agree that for the period of time during which the 2024 Notes are outstanding, we will not violate (whether or not we are subject thereto) Section 18(a)(1)(A) as modified by Section 61(a) of the 1940 Act or any successor provisions, but giving effect to any exemptive relief granted to us by the SEC. Currently, these provisions generally prohibit us from making additional borrowings, including through the issuance of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 150% after such borrowings.
- If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the SEC, we agree to furnish to holders of the Notes and the Trustee, for the period of time during which the Notes are outstanding, our audited annual financial statements, within 90 days of our fiscal year end, and unaudited interim financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with applicable United States generally accepted accounting principles.

#### **Form, Exchange and Transfer of Certificated Registered Securities**

If registered 2024 Notes cease to be issued in book-entry form, they will be issued:

- only in fully registered certificated form;
- without interest coupons; and
- unless we indicate otherwise, in denominations of \$25 and amounts that are multiples of \$25.

Holders may exchange their certificated securities for 2024 Notes of smaller denominations or combined into fewer 2024 Notes of larger denominations, as long as the total principal amount is not changed and as long as the denomination is equal to or greater than \$25.

Holders may exchange or transfer their certificated securities at the office of the trustee. We have appointed the trustee to act as our agent for registering 2024 Notes in the names of holders transferring 2024 Notes. We may appoint another entity to perform these functions or perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their certificated securities, but they may be required to pay any tax or other governmental charge associated with the transfer or exchange. The transfer or exchange will be made only if our transfer agent is satisfied with the holder's proof of legal ownership.

We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If any certificated securities of a particular series are redeemable and we redeem less than all the debt securities of that series, we may block the transfer or exchange of those debt securities during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers or exchanges of any certificated securities selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any debt security that will be partially redeemed.

---

If a registered debt security is issued in book-entry form, only the depositary will be entitled to transfer and exchange the debt security as described in this subsection, since it will be the sole holder of the debt security.

### Resignation of Trustee

The trustee may resign or be removed with respect to the 2024 Notes provided that a successor trustee is appointed to act with respect to the 2024 Notes. In the event that two or more persons are acting as trustee with respect to different series of indenture securities under the 2024 Indenture, each of the trustees will be a trustee of a trust separate and apart from the trust administered by any other trustee.

### Indenture Provisions — Ranking

The 2024 Notes are our direct unsecured obligations and rank:

- *pari passu* with, which means equal to, all outstanding and future unsecured unsubordinated indebtedness issued by us, including our 6.25% Notes (which have an aggregate principal amount of approximately \$44,800,000, plus accrued interest, as of December 31, 2022). The Notes will also rank *pari passu* with, which means equal to, our general liabilities, which consist of trade and other payables, including any outstanding dividend payable, Base Fee and incentive fees payable, interest and debt fees payable, vendor payables and accrued expenses such as auditor fees, legal fees, director fees, etc.
- senior to any of our future indebtedness that expressly provides it is subordinated to the 2024 Notes. We currently do not have outstanding debt that is subordinated to the 2024 Notes and do not currently intend to issue indebtedness that expressly provides that it is subordinated to the 2024 Notes. Therefore, the 2024 Notes will not be senior to any indebtedness or obligations.
- effectively subordinated to all of our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the Notes, and any assets of our subsidiaries will not be directly available to satisfy the claims of our creditors, including holders of the Notes. Currently, we do not have any secured indebtedness at the Oxford Square Capital Corp. level.
- structurally subordinated to all existing and future indebtedness and other obligations of any of the Company's subsidiaries, CLO vehicles in which we hold an equity interest and financing vehicles since the 2024 Notes are obligations exclusively of Oxford Square Capital Corp. and not of any of our subsidiaries. Structural subordination means that creditors of a parent entity are subordinate to creditors of a subsidiary entity with respect to the subsidiary's assets.

### Book-Entry Procedures

The 2024 Notes are represented by global securities that are deposited and registered in the name of DTC or its nominee. This means that, except in limited circumstances, a holder will not receive certificates for the 2024 Notes. Beneficial interests in the 2024 Notes is represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the 2024 Notes through either DTC, if they are a participant ("Direct Participants"), or indirectly through organizations that are participants in DTC ("Indirect Participants").

The 2024 Notes were issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized

representative of DTC. One fully-registered certificate was issued for each issuance of the 2024 Notes, in the aggregate principal amount of such issue, and was deposited with DTC. Interests in the 2024 Notes will trade in DTC's Same Day Funds Settlement System, and any permitted secondary market trading activity in such 2024 Notes will, therefore, be required by DTC to be settled in immediately available funds. None of the Company, the Trustee or the Paying Agent will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

---

Purchases of the 2024 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2024 Notes on DTC's records. The ownership interest of each actual purchaser of each security, or the "Beneficial Owner," is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2024 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2024 Notes, except in the event that use of the book-entry system for the 2024 Notes is discontinued.

To facilitate subsequent transfers, all 2024 Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the 2024 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2024 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts the 2024 Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners is governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2024 Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Redemption proceeds, distributions, and interest payments on the 2024 Notes is made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the Trustee on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners is governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and is the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of us or the Trustee, but disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2024 Notes at any time by giving reasonable notice to us or to the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered. We may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

#### C. Debt Securities — 6.25% Notes due 2026

In March 2019, we issued \$44,790,750 in aggregate principal amount notes due April 2026 (the "2026 Notes"). As of December 31, 2022 December 31, 2023, we had \$44,790,750 in aggregate principal amount of the 2026 Notes outstanding. We have listed the 2026 Notes on The Nasdaq Global Select Market under the trading symbol "OXSQZ."

The 2026 Notes were issued under a base indenture, dated as of April 12, 2017, and the second supplemental indenture thereto, entered into between us and U.S. Bank National Association, as trustee (together, the "2026 Indenture"). The 2026 Notes are governed by the 2026 Indenture, as required by federal law for all bonds and notes of companies that are publicly offered. An indenture is a contract between us and the financial institution acting

---

as trustee on the holders' behalf, and is subject to and governed by the Trust Indenture Act of 1939, as amended. The trustee has two main roles. First, the trustee can enforce the holders' rights against us if we default. There are some limitations on the extent to which the trustee acts on the holders' behalf, described in the second paragraph under "— Events of Default — Remedies if an Event of Default Occurs." Second, the trustee performs certain administrative duties for us with respect to our 2026 Notes.

This section includes a description of the material terms of the 2026 Notes and the 2026 Indenture. Because this section is a summary, however, it does not describe every aspect of the 2026 Notes and the 2026 Indenture. The 2026 Indenture, and not this exhibit, defines a holder's rights as a holder of the 2026 Notes. The base indenture and the second supplemental indenture have been incorporated by reference as exhibits to the annual report to which this exhibit is attached.

---

##### General

The 2026 Notes will mature on April 30, 2026. The principal payable at maturity will be 100% of the aggregate principal amount. The interest rate of the 2026 Notes is 6.25% per year and will be paid every January 31, April 30, July 31 and October 31, beginning July 31, 2019, and the regular record dates for interest payments will be every January 15, April 15, July 15, and October 15, beginning July 15, 2019. If an interest payment date falls on a non-business day, the applicable interest payment will be made on the next business day and no additional interest will accrue as a result of such delayed payment. The initial interest period was the period from and including April 3, 2019, to, but excluding, the initial interest payment date, and the subsequent interest periods will be the periods from and including an interest payment date to, but excluding, the next interest payment date or the stated maturity date, as the case may be.

We issued the 2026 Notes in denominations of \$25 and integral multiples of \$25 in excess thereof. The 2026 Notes are not subject to any sinking fund and holders of the 2026 Notes will not have the option to have the 2026 Notes repaid prior to the stated maturity date.

Except as described under the captions “— Events of Default,” “— Other Covenants,” and “— Merger or Consolidation” in this exhibit, the 2026 Indenture does not contain any provisions that give the holders protection in the event we issue a large amount of debt or we are acquired by another entity.

We have the ability to issue indenture securities with terms different from the 2026 Notes and, without the consent of the holders thereof, to reopen the 2026 Notes and issue additional 2026 Notes.

#### **Optional Redemption**

The 2026 Notes may be redeemed in whole or in part at any time or from time to time at our option on or after April 30, 2022 upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount of the 2026 Notes to be redeemed plus accrued and unpaid interest payments otherwise payable thereon for the then-current quarterly interest period accrued to, but excluding, the date fixed for redemption.

The holders may be prevented from exchanging or transferring the 2026 Notes when they are subject to redemption. In case any 2026 Notes are to be redeemed in part only, the redemption notice will provide that, upon surrender of such 2026 Notes, the holder will receive, without a charge, a new note or notes of authorized denominations representing the principal amount of the holder's remaining unredeemed 2026 Notes. Any exercise of our option to redeem the 2026 Notes will be done in compliance with the 1940 Act.

If we redeem only some of the 2026 Notes, the trustee or, with respect to global securities, DTC, will determine the method for selection of the particular 2026 Notes to be redeemed, in accordance with the 2026 Indenture and the 1940 Act and in accordance with the rules of The Nasdaq Global Select Market, where the 2026 Notes are listed. Unless we default in payment of the redemption price, on and after the date of redemption, interest will cease to accrue on the 2026 Notes called for redemption.

---

#### **Global Securities**

Each 2026 Note will be issued in book-entry form and represented by a global security that we deposit with and register in the name of DTC, or its nominee. A global security may not be transferred to or registered in the name of anyone other than the depositary or its nominee, unless special termination situations arise. As a result of these arrangements, the depositary, or its nominee, will be the sole registered owner and holder of all the 2026 Notes represented by a global security, and investors will be permitted to own only beneficial interests in a global security. For more information about these arrangements, see “— Book-Entry Procedures” below.

#### ***Termination of a Global Security***

If a global security is terminated for any reason, interests in it will be exchanged for certificates in non-book-entry form (certificated securities). After that exchange, the choice of whether to hold the certificated 2026 Notes directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in a global security transferred on termination to their own names, so that they will be holders.

---

#### **Payment and Paying Agents**

We will pay interest to the person listed in the trustee's records as the owner of the 2026 Notes at the close of business on a particular day in advance of each due date for interest, even if that person no longer owns the Note on the interest due date. That day, usually about two weeks in

advance of the interest due date, is called the "record date." Because we will pay all the interest for an interest period to the holders on the record date, holders buying and selling the 2026 Notes must work out between themselves the appropriate purchase price. The most common manner is to adjust the sales price of the 2026 Notes to prorate interest fairly between buyer and seller based on their respective ownership periods within the particular interest period. This prorated interest amount is called "accrued interest."

#### ***Payments on Global Securities***

We will make payments on the 2026 Notes so long as they are represented by a global security in accordance with the applicable policies of the depositary as in effect from time to time. Under those policies, we will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in the global security. An indirect holder's right to those payments will be governed by the rules and practices of the depositary and its participants, as described under "— Book-Entry Procedures."

#### ***Payments on Certificated Securities***

In the event the 2026 Notes become represented by certificated securities, we will make payments on the 2026 Notes as follows. We will pay interest that is due on an interest payment date to the holder of the 2026 Notes as shown on the trustee's records as of the close of business on the regular record date at our office in New York, New York. We will make all payments of principal and premium, if any, by check at the office of the applicable trustee in New York, New York and/or at other offices that may be specified in the 2026 Indenture or a notice to holders against surrender of the Note.

Alternatively, at our option, we may pay any cash interest that becomes due on the 2026 Notes by mailing a check to the holder at his, her or its address shown on the trustee's records as of the close of business on the regular record date or by transfer to an account at a bank in the United States, in either case, on the due date.

#### ***Payment When Offices Are Closed***

If any payment is due on the 2026 Notes on a day that is not a business day, we will make the payment on the next day that is a business day. Payments made on the next business day in this situation are treated under the 2026 Indenture as if they were made on the original due date. Such payment will not result in a default under the 2026 Notes or the 2026 Indenture, and no interest will accrue on the payment amount from the original due date to the next day that is a business day.

**Book-entry and other indirect holders should consult their banks or brokers for information on how they will receive payments on the 2026 Notes.**

---

#### **Events of Default**

Holders will have rights if an Event of Default occurs in respect of the 2026 Notes, as described later in this subsection.

The term "Event of Default" in respect of the 2026 Notes means any of the following:

- we do not pay the principal of (or premium, if any, on) any 2026 Note when due;
- we do not pay interest on any 2026 Note when due, and such default is not cured within 30 days;
- we remain in breach of a covenant in respect of the 2026 Notes for 60 days after we receive a written notice of default stating we are in breach (the notice must be sent by either the trustee or holders of at least 25% of the principal amount of the 2026 Notes);

---

- we file for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur and in the case of certain orders or decrees entered against us under bankruptcy law, such order or decree remains undischarged or unstayed for a period of 60 days; or
- on the last business day of each of twenty-four consecutive calendar months, the 2026 Notes have the asset coverage, as defined in the 1940 Act, of less than 100% after giving effect to any exemptive relief granted to us by the SEC.

An Event of Default for the 2026 Notes does not necessarily constitute an Event of Default for any other series of debt securities issued under the same or any other indenture. The trustee may withhold notice to the holders of the 2026 Notes of any default, except in the payment of principal or interest, if it in good faith considers the withholding of notice to be in the best interests of the holders.

#### ***Remedies if an Event of Default Occurs***

If an Event of Default has occurred and is continuing, the trustee or the holders of not less than 25% in principal amount of the 2026 Notes may declare the entire principal amount of all the 2026 Notes to be due and immediately payable. This is called a declaration of acceleration of maturity. In certain circumstances, a declaration of acceleration of maturity may be cancelled by the holders of a majority in principal amount of the 2026 Notes if (1) we have deposited with the trustee all amounts due and owing with respect to the 2026 Notes (other than principal that has become due solely by reason of such acceleration) and certain other amounts, and (2) any other Events of Default have been cured or waived.

Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the 2026 Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability reasonably satisfactory to it (called an "indemnity"). If indemnity reasonably satisfactory to the trustee is provided, the holders of a majority in principal amount of the 2026 Notes may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. The trustee may refuse to follow those directions in certain circumstances. No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy or Event of Default.

Before a holder is allowed to bypass the trustee and bring its own lawsuit or other formal legal action or take other steps to enforce its rights or protect its interests relating to the 2026 Notes, the following must occur:

- the holder must give the trustee written notice that an Event of Default has occurred and remains uncured;
- the holders of at least 25% in principal amount of all the 2026 Notes must make a written request that the trustee take action because of the default and must offer reasonable indemnity, security, or both to the trustee against the cost, expenses, and other liabilities of taking that action;
- the trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity and/or security; and
- the holders of a majority in principal amount of the 2026 Notes must not have given the trustee a direction inconsistent with the above notice during that 60-day period.

---

However, the holder is entitled at any time to bring a lawsuit for the payment of money due on its 2026 Notes on or after the due date.

**Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to**

**declare or cancel an acceleration of maturity.**

Each year, we will furnish to the trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the 2026 Indenture and the 2026 Notes, or else specifying any default.

---

***Waiver of Default***

The holders of a majority in principal amount of the 2026 Notes may waive any past defaults other than other than:

- the payment of principal or interest; or
- in respect of a covenant that cannot be modified or amended without the consent of each holder of the 2026 Notes.

***Merger or Consolidation***

Under the terms of the 2026 Indenture, we are generally permitted to consolidate or merge with another entity. We are also permitted to sell all or substantially all of our assets to another entity.

However, we may not take any of these actions unless all the following conditions are met:

- where we merge out of existence or convey or transfer our assets substantially as an entirety, the resulting entity must agree to be legally responsible for our obligations under the 2026 Notes;
- the merger or sale of assets must not cause a default on the 2026 Notes and we must not already be in default (unless the merger or sale would cure the default). For purposes of this no-default test, a default would include an Event of Default that has occurred and has not been cured, as described under "Events of Default" above. A default for this purpose would also include any event that would be an Event of Default if the requirements for giving us a notice of default or our default having to exist for a specific period of time were disregarded; and
- we must deliver certain certificates and documents to the trustee.

***Modification or Waiver***

There are three types of changes we can make to the 2026 Indenture and the 2026 Notes issued thereunder.

***Changes Requiring Approval***

First, there are changes that we cannot make to the 2026 Notes without the holders' specific approval. The following is a list of those types of changes:

- change the stated maturity of the principal of or interest on the 2026 Notes;
- reduce any amounts due on the 2026 Notes or reduce the rate of interest on the 2026 Notes;
- reduce the amount of principal payable upon acceleration of the maturity of a Note following a default;
- change the place or currency of payment on a 2026 Note;
- impair the holder's right to sue for payment;
- reduce the percentage of holders of 2026 Notes whose consent is needed to modify or amend the 2026 Indenture; and

- reduce the percentage of holders of 2026 Notes whose consent is needed to waive compliance with certain provisions of the 2026 Indenture or to waive certain defaults or reduce the percentage of holders of 2026 Notes required to satisfy quorum or voting requirements at a meeting of holders of the 2026 Notes.

---

*Changes Not Requiring Approval*

The second type of change does not require any vote by the holders of the 2026 Notes. This type is limited to clarifications and certain other changes that would not adversely affect holders of the 2026 Notes in any material respect.

---

*Changes Requiring Majority Approval*

Any other change to the 2026 Indenture and the 2026 Notes would require the following approval:

- if the change affects only the 2026 Notes, it must be approved by the holders of a majority in principal amount of the 2026 Notes; and
- if the change affects more than one series of debt securities issued under the same indenture, it must be approved by the holders of a majority in principal amount of all of the series affected by the change, with all affected series voting together as one class for this purpose.

In each case, the required approval must be given by written consent.

The holders of a majority in principal amount of all of the series of debt securities issued under an indenture, voting together as one class for this purpose, may waive our compliance with some of our covenants in that indenture. However, we cannot obtain a waiver of a payment default or of any of the matters covered by the bullet points included above under “— Changes Requiring Approval.”

*Further Details Concerning Voting*

When taking a vote, we will use the following rules to decide how much principal to attribute to the 2026 Notes:

The 2026 Notes will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust money for their payment or redemption. The 2026 Notes will also not be eligible to vote if they have been fully defeased as described later under “— Defeasance — Full Defeasance.”

We will generally be entitled to set any day as a record date for the purpose of determining the holders of the 2026 Notes that are entitled to vote or take other action under the 2026 Indenture. However, the record date may not be earlier than 30 days before the date of the first solicitation of holders to vote on or take such action and not later than the date such solicitation is completed. If we set a record date for a vote or other action to be taken by holders of the 2026 Notes, that vote or action may be taken only by persons who are holders of the 2026 Notes on the record date and must be taken within eleven months following the record date.

**Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the 2026 Indenture or the 2026 Notes or request a waiver.**

**Satisfaction and Discharge**

The 2026 Indenture will be discharged and will cease to be of further effect with respect to the 2026 Notes when:

- Either
  - all the 2026 Notes that have been authenticated have been delivered to the trustee for cancellation; or
  - all the 2026 Notes that have not been delivered to the trustee for cancellation:
    - have become due and payable, or
    - will become due and payable at their stated maturity within one year, or
- are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

and we, in the case of the first, second and third sub-bullets above, have irrevocably deposited or caused to be deposited with the trustee as trust funds in trust solely for the benefit of the holders of the 2026 Notes, in amounts in the currency payable for the 2026 Notes as will be sufficient, to pay and discharge the entire indebtedness (including all principal, premium, if any, and interest) on such 2026 Notes delivered to the trustee for cancellation (in the case of 2026 Notes that have become due and payable on or prior to the date of such deposit) or to the stated maturity or redemption date, as the case may be;

- we have paid or caused to be paid all other sums payable by us under the 2026 Indenture with respect to the 2026 Notes; and
- we have delivered to the trustee an officers' certificate and legal opinion, each stating that all conditions precedent provided for in the 2026 Indenture relating to the satisfaction and discharge of the 2026 Indenture and the 2026 Notes have been complied with.

#### **Defeasance**

The following defeasance provisions are applicable to the 2026 Notes. "Defeasance" means that, by depositing with a trustee an amount of cash and/or government securities sufficient to pay all principal and interest, if any, on the 2026 Notes when due and satisfying any additional conditions noted below, we will be deemed to have been discharged from our obligations under the 2026 Notes. In the event of a "covenant defeasance," upon depositing such funds and satisfying similar conditions discussed below we would be released from certain covenants under the 2026 Indenture relating to the 2026 Notes.

#### *Covenant Defeasance*

Under current U.S. federal tax law and the 2026 Indenture, we can make the deposit described below and be released from some of the restrictive covenants in the 2026 Indenture. This is called "covenant defeasance." In that event, a holder would lose the protection of those restrictive covenants but would gain the protection of having money and government securities set aside in trust to repay the holder's 2026 Notes. The consequences to the holders of the 2026 Notes would be that, while they would no longer benefit from certain covenants under the 2026 Indenture, and while the 2026 Notes could not be accelerated for any reason, the holders of the 2026 Notes nonetheless could look to the Company for repayment of the 2026 Notes if there were a shortfall in the funds deposited with the trustee or the trustee is prevented from making a payment. In order to achieve covenant defeasance, the following must occur:

- Since the 2026 Notes are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of the 2026 Notes a combination of cash and U.S. government or

U.S. government agency 2026 Notes or bonds that will generate enough cash to make interest, principal and any other payments on the 2026 Notes on their various due dates;

- we must deliver to the trustee a legal opinion of our counsel confirming that, under current U.S. federal income tax law, we may make the above deposit without causing the holders to be taxed on the 2026 Notes any differently than if we did not make the deposit;
- we must deliver to the trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the 1940 Act, and a legal opinion and officers' certificate stating that all conditions precedent to covenant defeasance have been complied with;
- defeasance must not result in a breach or violation of, or result in a default under, the 2026 Indenture or any of our other material agreements or instruments; and
- no default or event of default with respect to the 2026 Notes shall have occurred and be continuing and no defaults or events of default related to bankruptcy, insolvency or reorganization shall occur during the next 90 days.

---

If we accomplish covenant defeasance, a holder can still look to us for repayment of the 2026 Notes if there were a shortfall in the trust deposit or the trustee is prevented from making payment. In fact, if one of the remaining Events of Default occurred (such as our bankruptcy) and the 2026 Notes became immediately due and payable, there might be a shortfall. Depending on the event causing the default, a holder may not be able to obtain payment of the shortfall.

---

#### *Full Defeasance*

If there is a change in U.S. federal tax law, as described below, we can legally release ourselves from all payment and other obligations on the 2026 Notes (called "full defeasance") if we put in place the following other arrangements for the holders to be repaid:

- Since the 2026 Notes are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of the 2026 Notes a combination of money and U.S. government or U.S. government agency 2026 Notes or bonds that will generate enough cash to make interest, principal and any other payments on the 2026 Notes on their various due dates;
- we must deliver to the trustee a legal opinion confirming that there has been a change in current U.S. federal tax law or a U.S. Internal Revenue Service ruling that allows us to make the above deposit without causing a holder to be taxed on the 2026 Notes any differently than if we did not make the deposit. Under current U.S. federal tax law the deposit and our legal release from the 2026 Notes would be treated as though we paid a holder its share of the cash and 2026 Notes or bonds at the time the cash and 2026 Notes or bonds were deposited in trust in exchange for a holder's 2026 Notes and a holder would recognize gain or loss on the 2026 Notes at the time of the deposit;
- we must deliver to the trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the 1940 Act, and a legal opinion and officers' certificate stating that all conditions precedent to defeasance have been complied with;
- defeasance must not result in a breach or violation of, or constitute a default under, of the 2026 Indenture or any of our other material agreements or instruments; and
- no default or event of default with respect to the 2026 Notes shall have occurred and be continuing and no defaults or events of default related to bankruptcy, insolvency or reorganization shall occur during the next 90 days.

If we ever did accomplish full defeasance, as described above, the holders would have to rely solely on the trust deposit for repayment of the 2026 Notes. The holders could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever became bankrupt or insolvent.

#### **Other Covenants**

In addition to any other covenants described in this exhibit, as well as standard covenants relating to payment of principal and interest, maintaining an office where payments may be made or securities can be surrendered for payment, payment of taxes by the Company and related matters, the following covenants will apply to the 2026 Notes:

- We agree that for the period of time during which the 2026 Notes are outstanding, we will not violate (whether or not we are subject thereto) Section 18(a)(1)(A) as modified by such provisions of Section 61(a) of the 1940 Act as may be applicable to us from time to time or any successor provisions, but giving effect to any exemptive relief granted to us by the SEC. Currently, these provisions generally prohibit us from making additional borrowings, including through the issuance of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 150% after such borrowings.
- We agree that for the period of time during which the 2026 Notes are outstanding, we will not declare any dividend (except a dividend payable in our stock), or declare any other distribution, upon a class of our capital stock, or purchase any such capital stock, unless, in every such case, at the time of the declaration of any such dividend or distribution, or at the time of any such purchase, we have an asset coverage (as defined in the 1940 Act) of at least the threshold specified in Section 18(a)(1)(B) as modified by such provisions of Section 61(a) of the 1940 Act as may be applicable to us from time to time or any successor provisions thereto of the 1940 Act, as such obligation may be amended or superseded, after deducting the amount of such dividend, distribution or purchase price, as the case may be, and in each case giving effect to (i) any exemptive relief granted to us by the SEC, and

---

- (ii) any SEC no-action relief granted by the SEC to another BDC (or to us if we determine to seek such similar no-action or other relief) permitting the BDC to declare any cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by such provisions of Section 61(a) of the 1940 Act as may be applicable to us from time to time, as such obligation may be amended or superseded, in order to maintain such BDC's status as a regulated investment company under Subchapter M of the Code.
- If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the SEC, we agree to furnish to holders of the 2026 Notes and the Trustee, for the period of time during which the 2026 Notes are outstanding, our audited annual financial statements, within 90 days of our fiscal year end, and unaudited interim financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with applicable United States generally accepted accounting principles.

#### **Form, Exchange and Transfer of Certificated Registered Securities**

If registered 2026 Notes cease to be issued in book-entry form, they will be issued:

- only in fully registered certificated form;

- without interest coupons; and
- unless we indicate otherwise, in denominations of \$25 and amounts that are multiples of \$25.

Holders may exchange their certificated securities for 2026 Notes of smaller denominations or combined into fewer 2026 Notes of larger denominations, as long as the total principal amount is not changed and as long as the denomination is equal to or greater than \$25.

Holders may exchange or transfer their certificated securities at the office of the trustee. We have appointed the trustee to act as our agent for registering 2026 Notes in the names of holders transferring 2026 Notes. We may appoint another entity to perform these functions or perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their certificated securities, but they may be required to pay any tax or other governmental charge associated with the transfer or exchange. The transfer or exchange will be made only if our transfer agent is satisfied with the holder's proof of legal ownership.

We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If we redeem less than all the 2026 Notes, we may block the transfer or exchange of those 2026 Notes selected for redemption during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers or exchanges of any certificated 2026 Notes selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any 2026 Notes that will be partially redeemed.

If a registered debt security is issued in book-entry form, only the depositary will be entitled to transfer and exchange the debt security as described in this subsection, since it will be the sole holder of the debt security.

#### **Resignation of Trustee**

The trustee may resign or be removed with respect to the 2026 Notes provided that a successor trustee is appointed to act with respect to the 2026 Notes. In the event that two or more persons are acting as trustee with respect to different series of indenture securities under the 2026 Indenture, each of the trustees will be a trustee of a trust separate and apart from the trust administered by any other trustee.

#### **Indenture Provisions — Ranking**

The 2026 Notes are our direct unsecured obligations and rank:

- *pari passu* with, which means equal to, all outstanding and future unsecured unsubordinated indebtedness issued by us, including our 2024 Notes (which were fully repaid at par as of December 21, 2023, and as such, no principal or accrued interest was payable as of December 31, 2023) and our 2028 Notes (which have an aggregate principal amount of approximately \$64,400,000, \$80,500,000, plus accrued interest, as of December 31, 2022 December 31, 2023). The 2026 Notes also rank *pari passu* with, which means equal to, our general liabilities, which consist of trade and other payables, including any outstanding dividend payable, Base Fee and incentive fees payable, interest and debt fees payable, vendor payables and accrued expenses such as auditor fees, legal fees, director fees, etc.

- senior to any of our future indebtedness that expressly provides it is subordinated to the 2026 Notes. We currently do not have outstanding debt that is subordinated to the 2026 Notes and do not currently intend to issue indebtedness that expressly provides that it is subordinated to the 2026 Notes. Therefore, the 2026 Notes will not be senior to any indebtedness or obligations.
- effectively subordinated to all of our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the 2026 Notes, and any assets of our subsidiaries will not be directly available to satisfy the claims of our creditors, including holders of the 2026 Notes. Currently, we do not have any secured indebtedness at the Oxford Square Capital Corp. level.
- structurally subordinated to all existing and future indebtedness and other obligations of any of the Company's subsidiaries, CLO vehicles in which we hold an equity interest and financing vehicles since the 2026 Notes are obligations exclusively of Oxford Square Capital Corp. and not of any of our subsidiaries. Structural subordination means that creditors of a parent entity are subordinate to creditors of a subsidiary entity with respect to the subsidiary's assets.

#### **Book-Entry Procedures**

The 2026 Notes are represented by global securities that are deposited and registered in the name of DTC or its nominee. This means that, except in limited circumstances, a holder will not receive certificates for the 2026 Notes. Beneficial interests in the 2026 Notes is represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the 2026 Notes through either DTC, if they are a participant ("Direct Participants"), or indirectly through organizations that are participants in DTC ("Indirect Participants").

The 2026 Notes were issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate was issued for each issuance of the 2026 Notes, in the aggregate principal amount of such issue, and was deposited with DTC. Interests in the 2026 Notes will trade in DTC's Same Day Funds Settlement System, and any permitted secondary market trading activity in such 2026 Notes will, therefore, be required by DTC to be settled in immediately available funds. None of the Company, the Trustee or the Paying Agent will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

---

Purchases of the 2026 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Notes on DTC's records. The ownership interest of each actual purchaser of each security, or the "Beneficial Owner," is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026 Notes are to be accomplished by entries made on the

---

books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2026 Notes, except in the event that use of the book-entry system for the 2026 Notes is discontinued.

To facilitate subsequent transfers, all 2026 Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the 2026 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2026 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts the 2026 Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners is governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2026 Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Redemption proceeds, distributions, and interest payments on the 2026 Notes is made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the Trustee on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners is governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and is the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of us or the Trustee, but disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2026 Notes at any time by giving reasonable notice to us or to the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered. We may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

#### **D.C. Debt Securities — 5.50% Notes due 2028**

In May 2021, we issued \$80,500,000 in aggregate principal amount notes due July 31, 2028 (the "2028 Notes"). As of ~~December 31, 2022~~ December 31, 2023, we had \$80,500,000 in aggregate principal amount of the 2028 Notes outstanding. We have listed the 2028 Notes on The Nasdaq Global Select Market under the trading symbol "OXSQG."

---

The 2028 Notes were issued under a base indenture, dated as of April 12, 2017, and the third supplemental indenture thereto, entered into between us and U.S. Bank National Association, as trustee (together, the "2028 Indenture"). The 2028 Notes are governed by the 2028 Indenture, as required by federal law for all bonds and notes of companies that are publicly offered. An indenture is a contract between us and the financial institution acting as trustee on the holders' behalf, and is subject to and governed by the Trust Indenture Act of 1939, as amended. The trustee has two main roles. First, the trustee can enforce the holders' rights against us if we default. There are some limitations on the extent to which the trustee acts on the holders' behalf, described in the second paragraph under "— Events of Default — Remedies if an Event of Default Occurs." Second, the trustee performs certain administrative duties for us with respect to our 2028 Notes.

---

This section includes a description of the material terms of the 2028 Notes and the 2028 Indenture. Because this section is a summary, however, it does not describe every aspect of the 2028 Notes and the 2028 Indenture. The 2028 Indenture, and not this exhibit, defines a holder's rights as a holder of the 2028 Notes. The base indenture and the third supplemental indenture have been incorporated by reference as exhibits to the annual report to which this exhibit is attached.

#### **General**

The 2028 Notes will mature on July 31, 2028. The principal payable at maturity will be 100% of the aggregate principal amount. The interest rate of the 2028 Notes is 5.50% per year and will be paid every January 31, April 30, July 31 and October 31, beginning July 31, 2021, and the regular record dates for interest payments will be every January 15, April 15, July 15, and October 15, beginning July 15, 2021. If an interest payment date falls on a non-business day, the applicable interest payment will be made on the next business day and no additional interest will accrue as a result of such delayed payment. The initial interest period was the period from and including May 20, 2021, to, but excluding, the initial interest payment date, and the subsequent interest periods will be the periods from and including an interest payment date to, but excluding, the next interest payment date or the stated maturity date, as the case may be.

We issued the 2028 Notes in denominations of \$25 and integral multiples of \$25 in excess thereof. The 2028 Notes are not subject to any sinking fund and holders of the 2028 Notes will not have the option to have the 2028 Notes repaid prior to the stated maturity date.

Except as described under the captions "— Events of Default," "— Other Covenants," and "— Merger or Consolidation" in this exhibit, the 2028 Indenture does not contain any provisions that give the holders protection in the event we issue a large amount of debt or we are acquired by another entity.

We have the ability to issue indenture securities with terms different from the 2028 Notes and, without the consent of the holders thereof, to reopen the 2028 Notes and issue additional 2028 Notes.

#### **Optional Redemption**

The 2028 Notes may be redeemed in whole or in part at any time or from time to time at our option on or after May 31, 2024 upon not less than 30 days nor more than 60 days written notice by mail prior to the date fixed for redemption thereof, at a redemption price of 100% of the outstanding principal amount of the 2028 Notes to be redeemed plus accrued and unpaid interest payments otherwise payable thereon for the then-current quarterly interest period accrued to, but excluding, the date fixed for redemption.

The holders may be prevented from exchanging or transferring the 2028 Notes when they are subject to redemption. In case any 2028 Notes are to be redeemed in part only, the redemption notice will provide that, upon surrender of such 2028 Notes, the holder will receive, without a charge, a new

note or notes of authorized denominations representing the principal amount of the holder's remaining unredeemed 2028 Notes. Any exercise of our option to redeem the 2028 Notes will be done in compliance with the 1940 Act.

If we redeem only some of the 2028 Notes, the trustee or, with respect to global securities, DTC, will determine the method for selection of the particular 2028 Notes to be redeemed, in accordance with the 2028 Indenture and the 1940 Act and in accordance with the rules of The Nasdaq Global Select Market, where the 2028 Notes are listed. Unless we default in payment of the redemption price, on and after the date of redemption, interest will cease to accrue on the 2028 Notes called for redemption.

---

#### **Global Securities**

Each 2028 Note will be issued in book-entry form and represented by a global security that we deposit with and register in the name of DTC, or its nominee. A global security may not be transferred to or registered in the name of anyone other than the depositary or its nominee, unless special termination situations arise. As a result of these arrangements, the depositary, or its nominee, will be the sole registered owner and holder of all the 2028 Notes represented by a global security, and investors will be permitted to own only beneficial interests in a global security. For more information about these arrangements, see "— Book-Entry Procedures" below.

---

#### ***Termination of a Global Security***

If a global security is terminated for any reason, interests in it will be exchanged for certificates in non-book-entry form (certificated securities). After that exchange, the choice of whether to hold the certificated 2028 Notes directly or in street name will be up to the investor. Investors must consult their own banks or brokers to find out how to have their interests in a global security transferred on termination to their own names, so that they will be holders.

#### **Payment and Paying Agents**

We will pay interest to the person listed in the trustee's records as the owner of the 2028 Notes at the close of business on a particular day in advance of each due date for interest, even if that person no longer owns the Note on the interest due date. That day, usually about two weeks in advance of the interest due date, is called the "record date." Because we will pay all the interest for an interest period to the holders on the record date, holders buying and selling the 2028 Notes must work out between themselves the appropriate purchase price. The most common manner is to adjust the sales price of the 2028 Notes to prorate interest fairly between buyer and seller based on their respective ownership periods within the particular interest period. This prorated interest amount is called "accrued interest."

#### ***Payments on Global Securities***

We will make payments on the 2028 Notes so long as they are represented by a global security in accordance with the applicable policies of the depositary as in effect from time to time. Under those policies, we will make payments directly to the depositary, or its nominee, and not to any indirect holders who own beneficial interests in the global security. An indirect holder's right to those payments will be governed by the rules and practices of the depositary and its participants, as described under "— Book-Entry Procedures."

#### ***Payments on Certificated Securities***

In the event the 2028 Notes become represented by certificated securities, we will make payments on the 2028 Notes as follows. We will pay interest that is due on an interest payment date

to the holder of the 2028 Notes as shown on the trustee's records as of the close of business on the regular record date at our office in New York, New York. We will make all payments of principal and premium, if any, by check at the office of the applicable trustee in New York, New York and/or at other offices that may be specified in the 2028 Indenture or a notice to holders against surrender of the Note.

Alternatively, at our option, we may pay any cash interest that becomes due on the 2028 Notes by mailing a check to the holder at his, her or its address shown on the trustee's records as of the close of business on the regular record date or by transfer to an account at a bank in the United States, in either case, on the due date.

#### ***Payment When Offices Are Closed***

If any payment is due on the 2028 Notes on a day that is not a business day, we will make the payment on the next day that is a business day. Payments made on the next business day in this situation are treated under the 2028 Indenture as if they were made on the original due date. Such payment will not result in a default under the 2028 Notes or the 2028 Indenture, and no interest will accrue on the payment amount from the original due date to the next day that is a business day.

**Book-entry and other indirect holders should consult their banks or brokers for information on how they will receive payments on the 2028 Notes.**

---

#### **Events of Default**

Holders will have rights if an Event of Default occurs in respect of the 2028 Notes, as described later in this subsection.

The term "Event of Default" in respect of the 2028 Notes means any of the following:

- we do not pay the principal of (or premium, if any, on) any 2028 Note when due;
- we do not pay interest on any 2028 Note when due, and such default is not cured within 30 days;

---

- we remain in breach of a covenant in respect of the 2028 Notes for 60 days after we receive a written notice of default stating we are in breach (the notice must be sent by either the trustee or holders of at least 25% of the principal amount of the 2028 Notes);
- we file for bankruptcy or certain other events of bankruptcy, insolvency or reorganization occur and in the case of certain orders or decrees entered against us under bankruptcy law, such order or decree remains undischarged or unstayed for a period of 60 days; or
- on the last business day of each of twenty-four consecutive calendar months, the 2028 Notes have the asset coverage, as defined in the 1940 Act, of less than 100% after giving effect to any exemptive relief granted to us by the SEC.

An Event of Default for the 2028 Notes does not necessarily constitute an Event of Default for any other series of debt securities issued under the same or any other indenture. The trustee may withhold notice to the holders of the 2028 Notes of any default, except in the payment of principal or interest, if it in good faith considers the withholding of notice to be in the best interests of the holders.

#### ***Remedies if an Event of Default Occurs***

If an Event of Default has occurred and is continuing, the trustee or the holders of not less than 25% in principal amount of the 2028 Notes may declare the entire principal amount of all the 2028 Notes to be due and immediately payable. This is called a declaration of acceleration of maturity. In certain circumstances, a declaration of acceleration of maturity may be cancelled by the holders of a

majority in principal amount of the 2028 Notes if (1) we have deposited with the trustee all amounts due and owing with respect to the 2028 Notes (other than principal that has become due solely by reason of such acceleration) and certain other amounts, and (2) any other Events of Default have been cured or waived.

Except in cases of default, where the trustee has some special duties, the trustee is not required to take any action under the 2028 Indenture at the request of any holders unless the holders offer the trustee reasonable protection from expenses and liability reasonably satisfactory to it (called an "indemnity"). If indemnity reasonably satisfactory to the trustee is provided, the holders of a majority in principal amount of the 2028 Notes may direct the time, method and place of conducting any lawsuit or other formal legal action seeking any remedy available to the trustee. The trustee may refuse to follow those directions in certain circumstances. No delay or omission in exercising any right or remedy will be treated as a waiver of that right, remedy or Event of Default.

Before a holder is allowed to bypass the trustee and bring its own lawsuit or other formal legal action or take other steps to enforce its rights or protect its interests relating to the 2028 Notes, the following must occur:

- the holder must give the trustee written notice that an Event of Default has occurred and remains uncured;
- the holders of at least 25% in principal amount of all the 2028 Notes must make a written request that the trustee take action because of the default and must offer reasonable indemnity, security, or both to the trustee against the cost, expenses, and other liabilities of taking that action;
- the trustee must not have taken action for 60 days after receipt of the above notice and offer of indemnity and/or security; and

---

- the holders of a majority in principal amount of the 2028 Notes must not have given the trustee a direction inconsistent with the above notice during that 60-day period.

However, the holder is entitled at any time to bring a lawsuit for the payment of money due on its 2028 Notes on or after the due date.

**Book-entry and other indirect holders should consult their banks or brokers for information on how to give notice or direction to or make a request of the trustee and how to declare or cancel an acceleration of maturity.**

Each year, we will furnish to the trustee a written statement of certain of our officers certifying that to their knowledge we are in compliance with the 2028 Indenture and the 2028 Notes, or else specifying any default.

#### ***Waiver of Default***

The holders of a majority in principal amount of the 2028 Notes may waive any past defaults other than other than:

- the payment of principal or interest; or
- in respect of a covenant that cannot be modified or amended without the consent of each holder of the 2028 Notes.

#### ***Merger or Consolidation***

Under the terms of the 2028 Indenture, we are generally permitted to consolidate or merge with another entity. We are also permitted to sell all or substantially all of our assets to another entity.

However, we may not take any of these actions unless all the following conditions are met:

- where we merge out of existence or convey or transfer our assets substantially as an entirety, the resulting entity must agree to be legally responsible for our obligations under the 2028 Notes;
- the merger or sale of assets must not cause a default on the 2028 Notes and we must not already be in default (unless the merger or sale would cure the default). For purposes of this no-default test, a default would include an Event of Default that has occurred and has not been cured, as described under "Events of Default" above. A default for this purpose would also include any event that would be an Event of Default if the requirements for giving us a notice of default or our default having to exist for a specific period of time were disregarded; and
- we must deliver certain certificates and documents to the trustee.

#### **Modification or Waiver**

There are three types of changes we can make to the 2028 Indenture and the 2028 Notes issued thereunder.

##### ***Changes Requiring Approval***

First, there are changes that we cannot make to the 2028 Notes without the holders' specific approval. The following is a list of those types of changes:

- change the stated maturity of the principal of or interest on the 2028 Notes;
- reduce any amounts due on the 2028 Notes or reduce the rate of interest on the 2028 Notes;
- reduce the amount of principal payable upon acceleration of the maturity of a 2028 Note following a default;
- change the place or currency of payment on a 2028 Note;
- impair the holder's right to sue for payment;

---

- reduce the percentage of holders of 2028 Notes whose consent is needed to modify or amend the 2028 Indenture; and
- reduce the percentage of holders of 2028 Notes whose consent is needed to waive compliance with certain provisions of the 2028 Indenture or to waive certain defaults or reduce the percentage of holders of 2028 Notes required to satisfy quorum or voting requirements at a meeting of holders of the 2028 Notes.

##### ***Changes Not Requiring Approval***

The second type of change does not require any vote by the holders of the 2028 Notes. This type is limited to clarifications and certain other changes that would not adversely affect holders of the 2028 Notes in any material respect.

---

##### ***Changes Requiring Majority Approval***

Any other change to the 2028 Indenture and the 2028 Notes would require the following approval:

- if the change affects only the 2028 Notes, it must be approved by the holders of a majority in principal amount of the 2028 Notes; and

- if the change affects more than one series of debt securities issued under the same indenture, it must be approved by the holders of a majority in principal amount of all of the series affected by the change, with all affected series voting together as one class for this purpose.

In each case, the required approval must be given by written consent.

The holders of a majority in principal amount of all of the series of debt securities issued under an indenture, voting together as one class for this purpose, may waive our compliance with some of our covenants in that indenture. However, we cannot obtain a waiver of a payment default or of any of the matters covered by the bullet points included above under “— Changes Requiring Approval.”

#### ***Further Details Concerning Voting***

When taking a vote, we will use the following rules to decide how much principal to attribute to the 2028 Notes:

The 2028 Notes will not be considered outstanding, and therefore not eligible to vote, if we have deposited or set aside in trust money for their payment or redemption. The 2028 Notes will also not be eligible to vote if they have been fully defeased as described later under “— Defeasance — Full Defeasance.”

We will generally be entitled to set any day as a record date for the purpose of determining the holders of the 2028 Notes that are entitled to vote or take other action under the 2028 Indenture. However, the record date may not be earlier than 30 days before the date of the first solicitation of holders to vote on or take such action and not later than the date such solicitation is completed. If we set a record date for a vote or other action to be taken by holders of the 2028 Notes, that vote or action may be taken only by persons who are holders of the 2028 Notes on the record date and must be taken within eleven months following the record date.

**Book-entry and other indirect holders should consult their banks or brokers for information on how approval may be granted or denied if we seek to change the 2028 Indenture or the 2028 Notes or request a waiver.**

---

#### **Satisfaction and Discharge**

The 2028 Indenture will be discharged and will cease to be of further effect with respect to the 2028 Notes when:

- Either
  - all the 2028 Notes that have been authenticated have been delivered to the trustee for cancellation; or
  - all the 2028 Notes that have not been delivered to the trustee for cancellation:
    - have become due and payable, or
    - will become due and payable at their stated maturity within one year, or
    - are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company,

---

and we, in the case of the first, second and third sub-bullets above, have irrevocably deposited or caused to be deposited with the trustee as trust funds in trust solely for the benefit of the holders of the 2028 Notes, in amounts in the currency payable for the 2028 Notes as will be sufficient, to pay and discharge the entire indebtedness (including all principal, premium, if any, and interest) on such

2028 Notes delivered to the trustee for cancellation (in the case of 2028 Notes that have become due and payable on or prior to the date of such deposit) or to the stated maturity or redemption date, as the case may be;

- we have paid or caused to be paid all other sums payable by us under the 2028 Indenture with respect to the 2028 Notes; and
- we have delivered to the trustee an officers' certificate and legal opinion, each stating that all conditions precedent provided for in the 2028 Indenture relating to the satisfaction and discharge of the 2028 Indenture and the 2028 Notes have been complied with.

#### **Defeasance**

The following defeasance provisions are applicable to the 2028 Notes. "Defeasance" means that, by depositing with a trustee an amount of cash and/or government securities sufficient to pay all principal and interest, if any, on the 2028 Notes when due and satisfying any additional conditions noted below, we will be deemed to have been discharged from our obligations under the 2028 Notes. In the event of a "covenant defeasance," upon depositing such funds and satisfying similar conditions discussed below we would be released from certain covenants under the 2028 Indenture relating to the 2028 Notes.

#### **Covenant Defeasance**

Under current U.S. federal tax law and the 2028 Indenture, we can make the deposit described below and be released from some of the restrictive covenants in the 2028 Indenture. This is called "covenant defeasance." In that event, a holder would lose the protection of those restrictive covenants but would gain the protection of having money and government securities set aside in trust to repay the holder's 2028 Notes. The consequences to the holders of the 2028 Notes would be that, while they would no longer benefit from certain covenants under the 2028 Indenture, and while the 2028 Notes could not be accelerated for any reason, the holders of the 2028 Notes nonetheless could look to the Company for repayment of the 2028 Notes if there were a shortfall in the funds deposited with the trustee or the trustee is prevented from making a payment. In order to achieve covenant defeasance, the following must occur:

- Since the 2028 Notes are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of the 2028 Notes a combination of cash and U.S. government or U.S. government agency 2028 Notes or bonds that will generate enough cash to make interest, principal and any other payments on the 2028 Notes on their various due dates;
- we must deliver to the trustee a legal opinion of our counsel confirming that, under current U.S. federal income tax law, we may make the above deposit without causing the holders to be taxed on the 2028 Notes any differently than if we did not make the deposit;
- we must deliver to the trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the 1940 Act, and a legal opinion and officers' certificate stating that all conditions precedent to covenant defeasance have been complied with;
- defeasance must not result in a breach or violation of, or result in a default under, the 2028 Indenture or any of our other material agreements or instruments; and
- no default or event of default with respect to the 2028 Notes shall have occurred and be continuing and no defaults or events of default related to bankruptcy, insolvency or reorganization shall occur during the next 90 days.

If we accomplish covenant defeasance, a holder can still look to us for repayment of the 2028 Notes if there were a shortfall in the trust deposit or the trustee is prevented from making payment. In fact, if one of the remaining Events of Default occurred (such as our bankruptcy) and the 2028 Notes became immediately due and payable, there might be a shortfall. Depending on the event causing the default, a holder may not be able to obtain payment of the shortfall.

---

#### ***Full Defeasance***

If there is a change in U.S. federal tax law, as described below, we can legally release ourselves from all payment and other obligations on the 2028 Notes (called "full defeasance") if we put in place the following other arrangements for the holders to be repaid:

- Since the 2028 Notes are denominated in U.S. dollars, we must deposit in trust for the benefit of all holders of the 2028 Notes a combination of money and U.S. government or U.S. government agency 2028 Notes or bonds that will generate enough cash to make interest, principal and any other payments on the 2028 Notes on their various due dates;
- we must deliver to the trustee a legal opinion confirming that there has been a change in current U.S. federal tax law or a U.S. Internal Revenue Service ruling that allows us to make the above deposit without causing a holder to be taxed on the 2028 Notes any differently than if we did not make the deposit. Under current U.S. federal tax law the deposit and our legal release from the 2028 Notes would be treated as though we paid a holder its share of the cash and 2028 Notes or bonds at the time the cash and 2028 Notes or bonds were deposited in trust in exchange for a holder's 2028 Notes and a holder would recognize gain or loss on the 2028 Notes at the time of the deposit;
- we must deliver to the trustee a legal opinion of our counsel stating that the above deposit does not require registration by us under the 1940 Act, and a legal opinion and officers' certificate stating that all conditions precedent to defeasance have been complied with;
- defeasance must not result in a breach or violation of, or constitute a default under, of the 2028 Indenture or any of our other material agreements or instruments; and
- no default or event of default with respect to the 2028 Notes shall have occurred and be continuing and no defaults or events of default related to bankruptcy, insolvency or reorganization shall occur during the next 90 days.

If we ever did accomplish full defeasance, as described above, the holders would have to rely solely on the trust deposit for repayment of the 2028 Notes. The holders could not look to us for repayment in the unlikely event of any shortfall. Conversely, the trust deposit would most likely be protected from claims of our lenders and other creditors if we ever became bankrupt or insolvent.

---

#### ***Other Covenants***

In addition to any other covenants described in this exhibit, as well as standard covenants relating to payment of principal and interest, maintaining an office where payments may be made or securities can be surrendered for payment, payment of taxes by the Company and related matters, the following covenants will apply to the 2028 Notes:

- We agree that for the period of time during which the 2028 Notes are outstanding, we will not violate (whether or not we are subject thereto) Section 18(a)(1)(A) as modified by such provisions of Section 61(a) of the 1940 Act as may be applicable to us from time to time or any successor provisions, but giving effect to any exemptive relief granted to us by the SEC. Currently, these provisions generally prohibit us from making additional borrowings.

including through the issuance of additional debt securities, unless our asset coverage, as defined in the 1940 Act, equals at least 150% after such borrowings.

- We agree that for the period of time during which the 2028 Notes are outstanding, we will not declare any dividend (except a dividend payable in our stock), or declare any other distribution, upon a class of our capital stock, or purchase any such capital stock, unless, in every such case, at the time of the declaration of any such dividend or distribution, or at the time of any such purchase, we have an asset coverage (as defined in the 1940 Act) of at least the threshold specified in Section 18(a)(1)(B) as modified by such provisions of Section 61(a) of the 1940 Act as may be applicable to us from time to time or any successor provisions thereto of the 1940 Act, as such obligation may be amended or superseded, after deducting the amount of such dividend, distribution or purchase price, as the case may be, and in each case giving effect to (i) any exemptive relief granted to us by the SEC, and

---

(ii) any SEC no-action relief granted by the SEC to another BDC (or to us if we determine to seek such similar no-action or other relief) permitting the BDC to declare any cash dividend or distribution notwithstanding the prohibition contained in Section 18(a)(1)(B) as modified by such provisions of Section 61(a) of the 1940 Act as may be applicable to us from time to time, as such obligation may be amended or superseded, in order to maintain such BDC's status as a regulated investment company under Subchapter M of the Code.

- If, at any time, we are not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act to file any periodic reports with the SEC, we agree to furnish to holders of the 2028 Notes and the Trustee, for the period of time during which the 2028 Notes are outstanding, our audited annual financial statements, within 90 days of our fiscal year end, and unaudited interim financial statements, within 45 days of our fiscal quarter end (other than our fourth fiscal quarter). All such financial statements will be prepared, in all material respects, in accordance with applicable United States generally accepted accounting principles.

#### **Form, Exchange and Transfer of Certificated Registered Securities**

If registered 2028 Notes cease to be issued in book-entry form, they will be issued:

- only in fully registered certificated form;
- without interest coupons; and
- unless we indicate otherwise, in denominations of \$25 and amounts that are multiples of \$25.

Holders may exchange their certificated securities for 2028 Notes of smaller denominations or combined into fewer 2028 Notes of larger denominations, as long as the total principal amount is not changed and as long as the denomination is equal to or greater than \$25.

Holders may exchange or transfer their certificated securities at the office of the trustee. We have appointed the trustee to act as our agent for registering 2028 Notes in the names of holders transferring 2028 Notes. We may appoint another entity to perform these functions or perform them ourselves.

Holders will not be required to pay a service charge to transfer or exchange their certificated securities, but they may be required to pay any tax or other governmental charge associated with the transfer or exchange. The transfer or exchange will be made only if our transfer agent is satisfied with the holder's proof of legal ownership.

---

We may appoint additional transfer agents or cancel the appointment of any particular transfer agent. We may also approve a change in the office through which any transfer agent acts.

If we redeem less than all the 2028 Notes, we may block the transfer or exchange of those 2028 Notes selected for redemption during the period beginning 15 days before the day we mail the notice of redemption and ending on the day of that mailing, in order to freeze the list of holders to prepare the mailing. We may also refuse to register transfers or exchanges of any certificated 2028 Notes selected for redemption, except that we will continue to permit transfers and exchanges of the unredeemed portion of any 2028 Notes that will be partially redeemed.

If a registered debt security is issued in book-entry form, only the depositary will be entitled to transfer and exchange the debt security as described in this subsection, since it will be the sole holder of the debt security.

#### **Resignation of Trustee**

The trustee may resign or be removed with respect to the 2028 Notes provided that a successor trustee is appointed to act with respect to the 2028 Notes. In the event that two or more persons are acting as trustee with respect to different series of indenture securities under the 2028 Indenture, each of the trustees will be a trustee of a trust separate and apart from the trust administered by any other trustee.

---

#### **Indenture Provisions — Ranking**

The 2028 Notes are our direct unsecured obligations and rank:

- *pari passu* with, which means equal to, all outstanding and future unsecured unsubordinated indebtedness issued by us, including our 2024 Notes (which were fully repaid at par as of December 21, 2023, and as such, no principal or accrued interest was payable as of December 31, 2023) and 2026 Notes (which have an aggregate principal amount of approximately \$64,370,225 and \$44,790,750, respectively, \$44.8 million, plus accrued interest, as of December 31, 2022 December 31, 2023). The 2028 Notes also rank *pari passu* with, which means equal to, our general liabilities, which consist of trade and other payables, including any outstanding dividend payable, Base Fee and incentive fees payable, interest and debt fees payable, vendor payables and accrued expenses such as auditor fees, legal fees, director fees, etc.
- senior to any of our future indebtedness that expressly provides it is subordinated to the 2028 Notes. We currently do not have outstanding debt that is subordinated to the 2028 Notes and do not currently intend to issue indebtedness that expressly provides that it is subordinated to the 2028 Notes. Therefore, the 2028 Notes will not be senior to any indebtedness or obligations.
- effectively subordinated to all of our existing and future secured indebtedness (including indebtedness that is initially unsecured to which we subsequently grant security), to the extent of the value of the assets securing such indebtedness. In any liquidation, dissolution, bankruptcy or other similar proceeding, the holders of any of our existing or future secured indebtedness may assert rights against the assets pledged to secure that indebtedness in order to receive full payment of their indebtedness before the assets may be used to pay other creditors, including the holders of the 2028 Notes, and any assets of our subsidiaries will not be directly available to satisfy the claims of our creditors, including holders of the 2028 Notes. Currently, we do not have any secured indebtedness at the Oxford Square Capital Corp. level.

- structurally subordinated to all existing and future indebtedness and other obligations of any of the Company's subsidiaries, CLO vehicles in which we hold an equity interest and financing vehicles since the 2028 Notes are obligations exclusively of Oxford Square Capital Corp. and not of any of our subsidiaries. Structural subordination means that creditors of a parent entity are subordinate to creditors of a subsidiary entity with respect to the subsidiary's assets.

#### **Book-Entry Procedures**

The 2028 Notes are represented by global securities that are deposited and registered in the name of DTC or its nominee. This means that, except in limited circumstances, a holder will not receive certificates for the 2028 Notes. Beneficial interests in the 2028 Notes is represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct and indirect participants in DTC. Investors may elect to hold interests in the 2028 Notes through either DTC, if they are a participant ("Direct Participants"), or indirectly through organizations that are participants in DTC ("Indirect Participants").

---

The 2028 Notes were issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate was issued for each issuance of the 2028 Notes, in the aggregate principal amount of such issue, and was deposited with DTC. Interests in the 2028 Notes will trade in DTC's Same Day Funds Settlement System, and any permitted secondary market trading activity in such 2028 Notes will, therefore, be required by DTC to be settled in immediately available funds. None of the Company, the Trustee or the Paying Agent will have any responsibility for the performance by DTC or its participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

---

Purchases of the 2028 Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2028 Notes on DTC's records. The ownership interest of each actual purchaser of each security, or the "Beneficial Owner," is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2028 Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2028 Notes, except in the event that use of the book-entry system for the 2028 Notes is discontinued.

To facilitate subsequent transfers, all 2028 Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the 2028 Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2028 Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts the 2028 Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners is governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2028 Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Redemption proceeds, distributions, and interest payments on the 2028 Notes is made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from us or the Trustee on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners is governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and is the responsibility of such Participant and not of DTC nor its nominee, the Trustee, or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of us or the Trustee, but disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the 2028 Notes at any time by giving reasonable notice to us or to the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered. We may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that we believe to be reliable, but we take no responsibility for the accuracy thereof.

---

**Exhibit 23.1**

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We hereby consent to the incorporation by reference in the Registration Statement on Form N-2 (No. 333-229337-265533) of Oxford Square Capital Corp. of our report dated **March 23, 2023** **March 18, 2024** relating to the financial statements, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP  
New York, New York  
March **23, 2023** **18, 2024**

---

**Exhibit 31.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**

I, Jonathan H. Cohen, Chief Executive Officer of Oxford Square Capital Corp., certify that:

1. I have reviewed this annual report on Form 10-K of Oxford Square Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this 23 18<sup>th</sup> day of March,

2023 2024

By: /s/ JONATHAN H. COHEN

**Jonathan H. Cohen**

**Chief Executive Officer**

---

**Exhibit 31.2**

## **CERTIFICATION OF CHIEF FINANCIAL OFFICER**

I, Bruce L. Rubin, Chief Financial Officer of Oxford Square Capital Corp., certify that:

1. I have reviewed this annual report on Form 10-K of Oxford Square Capital Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated this **23** **18**<sup>th</sup> day of March,  
**2023** **2024**

By: /s/ BRUCE L. RUBIN  
**Bruce L. Rubin**  
**Chief Financial Officer**

---

**Exhibit 32.1**

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER**  
**PURSUANT TO**  
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)**

In connection with the Annual Report on Form 10-K for the year ended **December 31,**  
**2022** **December 31, 2023** (the "Report") of Oxford Square Capital Corp. (the "Registrant"), as filed  
with the Securities and Exchange Commission on the date hereof, I, Jonathan H. Cohen, the Chief  
Executive Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities  
Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the  
financial condition and results of operations of the Registrant.

/s/ JONATHAN H. COHEN

**Name: Jonathan H. Cohen**

**Date: March 23, 2023** **18, 2024**

---

**Exhibit 32.2**

**CERTIFICATION OF CHIEF FINANCIAL OFFICER**  
**PURSUANT TO**  
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002 (18 U.S.C. 1350)**

In connection with the Annual Report on Form 10-K for the year ended **December 31,**  
**2022** **December 31, 2023** (the "Report") of Oxford Square Capital Corp. (the "Registrant"), as filed  
with the Securities and Exchange Commission on the date hereof, I, Bruce L. Rubin, the Chief  
Financial Officer of the Registrant, hereby certify, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities  
Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the  
financial condition and results of operations of the Registrant.

/s/ BRUCE L. RUBIN

**Name: Bruce L. Rubin**

**Date: March 23, 2023** **18, 2024**

---

**Exhibit 97.1**

## OXFORD SQUARE CAPITAL CORP.

### CLAWBACK POLICY

The Board of Directors (the “**Board**”) of Oxford Square Capital Corp. (the “**Company**”) has adopted this Clawback Policy (the “**Policy**”) to comply with Section 10D of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), Rule 10D-1 promulgated under the Exchange Act (“**Rule 10D-1**”) and Nasdaq Listing Rule 5608 (the “**Listing Standards**”). This Policy provides for the recovery of Incentive-Based Compensation (as defined below) received by Covered Executives (as defined below), if any, in the event of an Accounting Restatement (as defined below) and shall be interpreted to be consistent with, Section 10D of the Exchange Act, Rule 10D-1 and the Listing Standards.

The Company, as an externally-managed business development company regulated under the Investment Company Act of 1940, as amended (the “**1940 Act**”), currently neither pays nor has any plans to pay or otherwise award Incentive-Based Compensation to Covered Executives, but nevertheless has designed and implemented this Policy to comply with Section 10D of the Exchange Act, Rule 10D-1 and the Listing Standards. Rule 10D-1 and the Listing Standards require the Company to adopt this Policy regardless of whether Incentive-Based Compensation is paid or otherwise awarded by the Company to Covered Executives.

#### 1. Administration

Except as specifically set forth herein, this Policy shall be administered by the Board or, if designated by the Board, a committee thereof (the Board or such committee charged with administration of this Policy, the “**Policy Administrator**”). The Policy Administrator is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate or advisable for the administration of this Policy. Any determinations made by the Policy Administrator shall be final and binding on all affected individuals and need not be uniform with respect to each individual covered by the Policy. In the administration of this Policy, the Policy Administrator is authorized and directed to consult with the full Board or such other committees of the Board, such as the Audit Committee, the Compensation Committee or such other committee as may be necessary or appropriate as to matters within the scope of such other committee’s responsibility and authority. Subject to any limitation of applicable law, the Policy Administrator may authorize and empower any officer or employee of the Company to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).

#### 2. Definitions

As used in this Policy, the following definitions shall apply:

- “**Accounting Restatement**” means an accounting restatement of the Company’s financial statements due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
- “**Applicable Period**” means the three completed fiscal years immediately preceding the date on which the Company is required to prepare an Accounting Restatement, as well as any transition period (that results from a change in the Company’s fiscal year) within or immediately following those three completed fiscal years (except that a transition period between the last day of the Company’s previous fiscal year-end and the first day of its new fiscal year that comprises a period of nine to twelve months shall be deemed to be a completed fiscal year). The “date on which the Company is required to prepare an Accounting Restatement” is the earlier to occur of

(a) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if action by the Board or a committee thereof is not required, concludes or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement or (b) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement, in each case regardless of if or when the restated financial statements are filed.

---

- **"Covered Executives"** means the Company's current and former president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer of the Company who performs a policy-making function, or any other person who performs similar policy-making functions for the Company and any officer within the meaning of 17 C.F.R. 229.401(b). An executive officer of a parent or subsidiary of the Company is deemed a Covered Executive if the executive officer performs policy making functions for the Company. "Policy-making function" for purposes of this definition is not intended to include policy-making functions that are not significant to the Company. The definition of Covered Executives shall be interpreted in accordance with the definition of "Executive Offer" set forth in Rule 10D-1 and the Listing Standards. For the avoidance of doubt, "Covered Executives" does not include the Company's investment adviser (the "**Adviser**") or any of the Adviser's directors, partners, officers or employees, solely in their capacity as such.
- **"Erroneously Awarded Compensation"** has the meaning set forth in Section 6 of this Policy.
- A **"Financial Reporting Measure"** means any measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measure that is derived wholly or in part from such measure. For the avoidance of doubt, Financial Reporting Measures include but are not limited to the following (and any measure derived from the following): Company stock price; total shareholder return ("TSR"); net asset value, net investment income; net income; net realized or unrealized gains; profitability; financial ratios; earnings before interest, taxes, depreciation and amortization; funds from operations and adjusted funds from operations; liquidity measures; return measures (e.g., return on investments, return on assets); earnings measures (e.g., earnings per share); and any of such financial reporting measures relative to a peer group, where the Company's financial reporting measure is subject to an Accounting Restatement. A Financial Reporting Measure need not be presented within the Company's financial statements or included in a filing with the Securities and Exchange Commission.
- **"Incentive-Based Compensation"** means any compensation that is granted by the Company, or earned and/or vested based wholly or in part upon the attainment of a Financial Reporting Measure. For purposes of this Policy, Incentive-Based Compensation is deemed "received" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of such Incentive-Based Compensation occurs after the end of that period.

### 3. Scope; Covered Executives; Incentive-Based Compensation

The Company currently neither pays nor has any plans to pay or otherwise award Incentive-Based Compensation to Covered Executives.<sup>1</sup>

### 4. Board Review

This Policy will be presented to the Board for review and approval at such times as the Board in its discretion determines is necessary and appropriate. The Board may amend, modify, supplement,

rescind or replace all or any portion of this Policy at any time and from time to time in its discretion, and shall amend this Policy as it deems necessary to comply with applicable law or any rules or standards adopted by a national securities exchange on which the Company's securities are listed.

#### **5. Required Recovery of Erroneously Awarded Compensation in the Event of an Accounting Restatement**

In the event that the Company is required to prepare an Accounting Restatement, the Company shall recover, on a reasonably prompt basis, the amount of any Erroneously Awarded Compensation received by any Covered Executive from the Company, as calculated pursuant to Section 6 of this Policy, during the Applicable Period. Recovery under this Policy with respect to a Covered Executive shall not require the finding of any misconduct by such Covered Executive or such Covered Executive being found responsible for the accounting error leading to an Accounting Restatement.

1 This Policy applies to Incentive-Based Compensation received by a person (a) after beginning services as a Covered Executive; (b) if that person served as a Covered Executive at any time during the performance period for such Incentive-Based Compensation; (c) while the Company had a listed class of securities on a national securities exchange; and (d) during the Applicable Period.

#### **6. Erroneously Awarded Compensation: Amount Subject to Recovery**

The amount of **Erroneously Awarded Compensation** subject to recovery under this Policy, as determined by the Company, is the amount of Incentive-Based Compensation received by the Covered Executive that exceeds the amount of Incentive-Based Compensation that otherwise would have been received by the Covered Executive had it been determined based on applicable restated Financial Reporting Measure.

Erroneously Awarded Compensation shall be computed without regard to any taxes paid by the Covered Executive in respect of the Erroneously Awarded Compensation.

With respect to any compensation plans or programs that take into account Incentive-Based Compensation, the amount of Erroneously Awarded Compensation subject to recovery hereunder includes, but is not limited to, the amount contributed to any notional account based on Erroneously Awarded Compensation and any earnings accrued to date on that notional amount.

For Incentive-Based Compensation based on the Company's stock price or TSR: (a) the Company shall determine the amount of Erroneously Awarded Compensation based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or TSR upon which the Incentive-Based Compensation was received; and (b) the Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to The Nasdaq Stock Market ("Nasdaq").

#### **7. Method of Recovery**

The Company shall determine, in its sole discretion, the timing and method for promptly recovering Erroneously Awarded Compensation hereunder, which may include without limitation (a) seeking reimbursement of all or part of any cash or equity-based award, (b) cancelling prior cash or equity-based awards, whether vested or unvested or paid or unpaid, (c) cancelling or offsetting against any planned future cash or equity-based awards, (d) forfeiture of deferred compensation, subject to compliance with Section 409A of the Internal Revenue Code and the regulations promulgated thereunder and (e) any other method authorized by applicable law or contract.

Subject to compliance with any applicable law, the Company may effect recovery under this Policy from any amount otherwise payable to the Covered Executive, including amounts payable to such individual under any otherwise applicable Company plan or program, including base salary, bonuses, other compensation and/or compensation previously deferred by the Covered Executive.

The Company is authorized and directed pursuant to this Policy to recover Erroneously Awarded Compensation on a reasonably prompt basis in compliance with this Policy unless the Board (including a majority of its directors who are not "interested persons" of the Company, as defined in Section 2(a)(19) of the 1940 Act) or applicable committee thereof has determined that such recovery would be impracticable for one of the following reasons, and subject to the following procedural and disclosure requirements:

- The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on the expense of enforcement, the Company must make, or cause to be made, a reasonable attempt to recover such Erroneously Awarded Compensation, document such reasonable attempt(s) to recover and provide that documentation to Nasdaq;
- Recovery would violate home country law where that law was adopted prior to November 28, 2022. Before concluding that it would be impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company must obtain an opinion of home country counsel, acceptable to Nasdaq, that recovery would result in such a violation, and must provide such opinion to Nasdaq; or
- Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, if any, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

---

## 8. No Indemnification of Covered Executives

Notwithstanding the terms of any indemnification or insurance policy or any contractual arrangement with any Covered Executive that may be interpreted to the contrary, the Company shall not indemnify any Covered Executives against losses caused by the recovery of any Erroneously Awarded Compensation. In addition, the Company is not permitted to pay or reimburse a Covered Executive for premiums on an insurance policy purchased by such Covered Executive to protect them from such recovery. Other than as expressly stated herein, this Policy does not otherwise limit a Covered Executive's insurance coverage (including any insurance coverage acquired by the Company) or a Covered Executive's right to indemnification from the Company, including in each case, for actions related to any Accounting Restatement.

## 9. Policy Administrator Indemnification

Any directors and officers of the Company, and any other personnel who assist in the administration of this Policy, including, but not limited to employees of the Adviser and Oxford Funds, LLC, shall not be personally liable for any action, determination or interpretation made with respect to this Policy and shall be fully indemnified by the Company to the fullest extent under applicable law and Company policy with respect to any such action, determination or interpretation. The foregoing sentence shall not limit any other rights to indemnification of the members of the Board under applicable law or Company policy.

## 10. Effective Date; Retroactive Application

This Policy shall be effective as of November 2, 2023 (the **Effective Date**). The terms of this Policy shall apply to any Incentive-Based Compensation that is received by Covered Executives from the Company on or after the Effective Date, even if such Incentive-Based Compensation was approved, awarded, granted or paid to Covered Executives prior to the Effective Date. Without limiting the generality of Section 7 of this Policy, and subject to applicable law, the Company may effect recovery under this Policy from any amount of compensation approved, awarded, granted, payable or paid to the Covered Executive prior to, on or after the Effective Date.

#### **11. Other Recovery Rights; Company Claims**

Any right of recovery under this Policy is in addition to, and not in lieu of, any other remedies or rights of recovery that may be available to the Company under applicable law or pursuant to the terms of any similar policy in any employment agreement, equity award agreement or similar agreement and any other legal remedies available to the Company.

Nothing contained in this Policy limits any claims, damages or other legal remedies the Company or any of its affiliates may have against a Covered Executive arising out of, or resulting from, any actions or omissions by the Covered Executive.

#### **12. Exhibit Filing Requirement**

A copy of this Policy and any amendments thereto shall be filed as an exhibit to the Company's annual report on Form 10-K to the extent required by law.

Adopted: November 2, 2023

---

## DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.