

REFINITIV

# DELTA REPORT

## 10-Q

OXFORD SQUARE CAPITAL COR

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2231
CHANGES	462
DELETIONS	1076
ADDITIONS	693



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

FORM 10-Q

(Mark One)

- ☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934  
FOR THE QUARTERLY PERIOD ENDED September30, 2023 March  
31, 2024

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

COMMISSION FILE NUMBER: 814-00638 814-00638

OXFORD SQUARE CAPITAL CORP.

(Exact name of registrant as specified in its charter)

MARYLAND

20-0188736

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

8 SOUND SHORE DRIVE, SUITE 255

GREENWICH, CONNECTICUT 06830

(Address of principal executive office)

(203) 983-5275

(Registrant's telephone number, including area code)

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

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 L	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

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 12months (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 12months (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 an emerging growth company. See the definitions 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. ☐

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. The number of shares of the issuer's common stock, \$0.01 par value, outstanding as of November May 7, 2023, 1, 2024, was 58,129,685, 59,721,449.

[Table of Contents](#)

OXFORD SQUARE CAPITAL CORP.

TABLE OF CONTENTS

	Page
<a href="#">PART I. FINANCIAL INFORMATION</a>	<a href="#">1</a>
Item 1. <a href="#">Financial Statements</a>	<a href="#">1</a>
<a href="#">Statements of Assets and Liabilities as of September 30, 2023 March 31, 2024 (unaudited) and December 31, 2022 December 31, 2023</a>	<a href="#">1</a>
<a href="#">Schedule of Investments as of September 30, 2023 March 31, 2024 (unaudited)</a>	<a href="#">2</a>
<a href="#">Schedule of Investments as of December 31, 2022 December 31, 2023</a>	<a href="#">10</a>
<a href="#">Statements of Operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (unaudited)</a>	<a href="#">17</a>
<a href="#">Statements of Changes in Net Assets for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023 (unaudited)</a>	<a href="#">18</a>
<a href="#">Statements of Cash Flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 (unaudited)</a>	<a href="#">19</a>
<a href="#">Notes to Financial Statements (unaudited)</a>	<a href="#">20</a>
<a href="#">Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	<a href="#">47 45</a>
Item 2. <a href="#">Operations</a>	<a href="#">47 45</a>
Item 3. <a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	<a href="#">65 61</a>
Item 4. <a href="#">Controls and Procedures</a>	<a href="#">66 61</a>
<a href="#">PART II. OTHER INFORMATION</a>	<a href="#">67 63</a>
Item 1. <a href="#">Legal Proceedings</a>	<a href="#">67 63</a>
Item	
1A. <a href="#">Risk Factors</a>	<a href="#">67 63</a>
Item 2. <a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	<a href="#">67 63</a>
Item 3. <a href="#">Defaults Upon Senior Securities</a>	<a href="#">68 63</a>
Item 4. <a href="#">Mine Safety Disclosures</a>	<a href="#">68 63</a>
Item 5. <a href="#">Other Information</a>	<a href="#">68 63</a>
Item 6. <a href="#">Exhibits</a>	<a href="#">68 64</a>
<a href="#">SIGNATURES</a>	<a href="#">69 65</a>

[Table of Contents](#)



PART I — FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

OXFORD SQUARE CAPITAL CORP.

STATEMENTS OF ASSETS AND LIABILITIES

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
	(unaudited)		(unaudited)	
<b>ASSETS</b>				
Non-affiliated/non-control investments (cost: \$443,889,440 and \$495,000,997, respectively)	\$ 277,807,167	\$ 310,347,097		
Non-affiliated/non-control investments (cost: \$424,246,447 and \$440,069,822, respectively)			\$ 245,936,071	\$ 261,614,335
Affiliated investments (cost: \$16,836,822 and \$16,836,822, respectively)	7,709,623	4,349,818	4,919,975	5,276,092
Cash and cash equivalents	12,410,909	9,019,164	20,906,690	5,740,553
Interest and distributions receivable	4,036,483	3,492,716	2,615,160	3,976,408
Other assets	1,031,723	785,640	910,124	1,060,384
Total assets	<u>\$ 302,995,905</u>	<u>\$ 327,994,435</u>	<u>\$ 275,288,020</u>	<u>\$ 277,667,772</u>
<b>LIABILITIES</b>				
Notes payable – 6.50% Unsecured Notes, net of deferred issuance costs of \$36,343 and \$405,657, respectively	\$ 14,333,882	\$ 63,964,568		
Notes payable – 6.25% Unsecured Notes, net of deferred issuance costs of \$602,377 and \$776,766, respectively	44,188,373	44,013,984		
Notes payable – 5.50% Unsecured Notes, net of deferred issuance costs of \$1,865,397 and \$2,153,762, respectively	78,634,603	78,346,238		
Notes payable – 6.25% Unsecured Notes, net of deferred issuance costs of \$485,479 and \$543,609, respectively			\$ 44,305,271	\$ 44,247,141
Notes payable – 5.50% Unsecured Notes, net of deferred issuance costs of \$1,672,097 and \$1,768,219, respectively			78,827,903	78,731,781
Securities purchased not settled			3,997,500	—



Base Fee and Net Investment				
Income Incentive Fee				
payable to affiliate	2,360,018	1,323,573	987,816	1,012,389
Accrued interest payable	1,207,082	1,216,109	1,204,487	1,204,487
Accrued expenses	1,376,886	458,001	1,552,652	1,163,349
Distributions payable			72,568	—
Total liabilities	142,100,844	189,322,473	130,948,197	126,359,147
<b>COMMITMENTS AND CONTINGENCIES (Note 14)</b>				
<b>COMMITMENTS AND CONTINGENCIES (Note 13)</b>				
<b>NET ASSETS</b>				
Common stock, \$0.01 par value, 100,000,000 shares authorized; 57,958,446 and 49,844,796 shares issued and outstanding, respectively	579,584	498,447		
Common stock, \$0.01 par value, 100,000,000 shares authorized; 59,672,337 and 59,300,472 shares issued and outstanding, respectively			596,723	593,005
Capital in excess of par value	455,703,275	434,737,950	459,180,359	458,121,381
Total distributable earnings/(accumulated losses)	(295,387,798)	(296,564,435)	(315,437,259)	(307,405,761)
Total net assets	160,895,061	138,671,962	144,339,823	151,308,625
Total liabilities and net assets	\$ 302,995,905	\$ 327,994,435	\$ 275,288,020	\$ 277,667,772
Net asset value per common share	\$ 2.78	\$ 2.78	\$ 2.42	\$ 2.55

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### SCHEDULE OF INVESTMENTS (unaudited)

September 30, 2023 March 31, 2024

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>	% OF NET ASSETS <sup>(31)</sup>
<b>Senior Secured Notes</b>					
<b>Business Services</b>					
<b>Access CIG, LLC</b>					
second lien senior secured notes,					
13.41%					
(SOFR + 7.75%), (0.00% floor)					
due February 14,					
February 27, 2026 <sup>(4)(5)(14)(30)</sup>	2018	\$ 16,754,000	\$ 16,793,428	\$ 16,321,244	
<b>Convergint Technologies, LLC</b>					



first lien senior secured notes, 10.07% (SOFR + 4.75%), (0.75% floor) due March 31, 2028 <sup>(4)(5)(6)(14)(25)</sup>	November 15, 2022	2,475,000	2,387,823	2,459,531	
second lien senior secured notes, 12.18% (SOFR+ 6.75%), (0.75% floor) due March 29, 2029 <sup>(4)(5)(14)(25)</sup>	March 18, 2021	11,000,000	10,965,735	9,680,000	
<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)</sup> <sup>(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)</sup> <sup>(29)</sup>	October 1, 2019	2,452,012	2,378,999	487,472	
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	15,991,521	9,817,795	—	
<b>Verifone Systems, Inc.</b>					
first lien senior secured notes, 9.65% (SOFR + 4.00%), (0.00% floor) due August 20, 2025 <sup>(4)(5)(6)(14)(30)</sup>	August 9, 2018	13,953,793	13,517,744	12,977,027	
<b>Total Business Services</b>			<b>\$ 67,331,420</b>	<b>\$ 41,925,274</b>	<b>26.1%</b>
<b>Diversified Insurance</b>					
<b>Affinion Insurance Solutions, Inc. (f/k/a AIS Intermediate, LLC)</b>					
first lien senior secured notes, 10.63% (SOFR + 5.00%), (0.00% floor) due August 15, 2025 <sup>(4)(5)(6)(14)(30)</sup>	January 7, 2021	\$ 14,674,895	\$ 14,455,691	\$ 14,344,710	
<b>Total Diversified Insurance</b>			<b>\$ 14,455,691</b>	<b>\$ 14,344,710</b>	<b>8.9%</b>
<b>Healthcare</b>					
<b>Careismatic Brands, Inc. (f/k/a New Trojan Parent, Inc.)</b>					



second lien senior secured notes,					
12.68%					
(SOFR + 7.25%), (0.50% floor)					
due	January 22,				
January 5, 2029 <sup>(4)(5)(25)</sup>	2021	\$ 12,000,000	\$ 11,951,885	\$	4,560,000
<b>HealthChannels, Inc. (f/k/a</b>					
<b>ScribeAmerica,</b>					
<b>LLC)</b>					
first lien senior secured notes,					
9.93%					
(SOFR + 4.50%), (0.00% floor)					
due	October 31,				
April 3, 2025 <sup>(4)(5)(6)(14)(25)</sup>	2018	18,857,315	18,677,472	13,841,269	

	ACQUISITION	PRINCIPAL		FAIR	% OF
COMPANY/INVESTMENT <sup>(1)(20)</sup>	DATE	AMOUNT	COST	VALUE <sup>(2)</sup>	NET
					ASSETS <sup>(10)</sup>
<b>Senior Secured Notes</b>					
<b>Business Services</b>					
<b>Access CIG, LLC</b>					
first lien senior secured notes,					
10.33% (SOFR + 5.00%), (0.50%					
floor) due August 18, 2028 <sup>(4)(5)(6)</sup>	January				
(25)	18, 2024	\$ 2,194,486	\$ 2,180,053	\$ 2,197,229	
<b>Convergint Technologies, LLC</b>					
first lien senior secured notes,					
10.08% (SOFR + 4.75%), (0.75%					
floor) due March 31, 2028 <sup>(4)(5)(6)</sup>	November				
(14)(25)	15, 2022	2,462,499	2,383,823	2,465,577	
second lien senior secured notes,					
12.19% (SOFR + 6.75%), (0.75%					
floor) due March 29, 2029 <sup>(4)(5)(14)</sup>	March				
(25)	18, 2021	11,000,000	10,974,191	10,240,340	
<b>Premiere Global Services, Inc.</b>					
first lien senior secured notes,					
13.00% (Prime Rate + 5.50%),					
(1.00% floor) due September 9,	October 1,				
2021 <sup>(4)(5)(6)(16)(17)(29)</sup>	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)</sup>	October 1,				
(29)	2019	2,452,012	2,378,999	489,056	
second lien senior secured notes,					
17.00% PIK (Prime					
Rate + 8.50%) (1.00% floor)	October 1,				
due June 6, 2024 <sup>(3)(4)(5)(17)(29)</sup>	2019	17,332,459	9,817,795	—	



<b>Verifone Systems, Inc.</b>					
first lien senior secured notes,					
9.59% (SOFR + 4.00%), (0.00%					
floor) due August 20, 2025 <sup>(4)(5)(6)</sup>					
<sup>(14)(30)</sup>	August 9, 2018	14,877,914	14,528,931	13,166,954	
<b>Total Business Services</b>			<b>\$ 53,733,688</b>	<b>\$ 28,559,156</b>	<b>19.8%</b>
<b>Diversified Insurance</b>					
<b>Affinion Insurance Solutions, Inc.</b>					
<b>(f/k/a AIS Intermediate, LLC)</b>					
first lien senior secured notes,					
10.57% (SOFR + 5.00%), (0.00%					
floor) due August 15, 2025 <sup>(4)(5)(6)</sup>					
<sup>(14)(30)</sup>	January 7, 2021	\$ 14,123,207	\$ 13,965,530	\$ 13,752,473	
<b>Total Diversified Insurance</b>			<b>\$ 13,965,530</b>	<b>\$ 13,752,473</b>	<b>9.5%</b>
<b>Food and Beverage</b>					
<b>Shearer's Foods, LLC</b>					
first lien senior secured notes,					
9.33% (SOFR + 4.00%), (0.00%					
floor) due January 31, 2031 <sup>(4)(5)(6)</sup>					
<sup>(25)</sup>	January 31, 2024	\$ 5,000,000	\$ 4,987,534	\$ 5,012,500	
<b>Total Food and Beverage</b>			<b>\$ 4,987,534</b>	<b>\$ 5,012,500</b>	<b>3.5%</b>

(continued on next page)

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### SCHEDULE OF INVESTMENTS (unaudited) — (continued)

September 30, 2023 March 31, 2024

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>	% OF NET ASSETS <sup>(31)</sup>
<b>Senior Secured Notes – (continued)</b>					
<b>Healthcare – (continued)</b>					
<b>Viant Medical Holdings, Inc.</b>					
first lien senior secured notes,					
9.18%					
(LIBOR + 3.75%), (0.00% floor)					
due					
July 2, 2025 <sup>(4)(5)(6)(14)(15)</sup>	June 26, 2018	\$ 9,500,000	\$ 9,497,563	\$ 9,310,000	



second lien senior secured notes,					
13.18%					
(LIBOR + 7.75%), (0.00% floor)					
due					
July 2, 2026 <sup>(4)(5)(14)(15)</sup>	June 26, 2018	5,000,000	4,979,627	4,600,000	
<b>Total Healthcare</b>			<b>\$ 45,106,547</b>	<b>\$ 32,311,269</b>	<b>20.1%</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)(14)(30)</sup>	May 18, 2021	\$ 7,820,000	\$ 7,728,431	\$ 5,510,285	

second lien senior secured notes,					
14.66%					
(SOFR + 9.00%), (0.75% floor)					
due					
May 7, 2029 <sup>(4)(5)(14)(30)</sup>	May 3, 2021	7,000,000	6,830,466	3,150,000	

##### Dodge Data & Analytics, LLC

first lien senior secured notes,					
10.29%					
(SOFR + 4.75%), (0.50% floor)					
due					
February 23, 2029 <sup>(4)(5)(6)(14)(30)</sup>	February 10, 2022	4,937,500	4,875,699	4,033,345	

second lien senior secured notes,					
13.79%					
(SOFR + 8.25%), (0.50% floor)					
due					
February 25, 2030 <sup>(4)(5)(14)(30)</sup>	February 10, 2022	15,000,000	14,808,737	10,387,500	

##### Help/Systems Holdings, Inc.

first lien senior secured notes,					
9.47%					
(SOFR + 4.00%), (0.75% floor)					
due					
November 19, 2026 <sup>(4)(5)(6)(14)(30)</sup>	October 6, 2022	4,458,935	4,216,514	4,269,430	

second lien senior secured notes,					
12.35%					
(SOFR + 6.75%), (0.75% floor)					
due					
November 19, 2027 <sup>(4)(5)(14)(30)</sup>	October 14, 2021	8,000,000	8,005,860	6,880,000	

##### Kofax, Inc.

first lien senior secured notes,					
10.72%					
(SOFR + 5.25%), (0.50% floor)					
due					
July 20, 2029 <sup>(4)(5)(6)(30)</sup>	February 1, 2023	4,962,500	4,651,305	4,367,000	



<b>Magenta Buyer, LLC (f/k/a McAfee Enterprise)</b>					
first lien senior secured notes,					
10.63%					
(SOFR + 5.00%), (0.75% floor)					
due					
July 27, 2028 <sup>(4)(5)(6)(14)(30)</sup>	May 17, 2022	1,974,874	1,883,952	1,471,281	
second lien senior secured notes,					
13.88%					
(SOFR + 8.25%), (0.75% floor)					
due					
July 27, 2029 <sup>(4)(5)(14)(30)</sup>	October 20, 2021	14,968,714	14,927,209	6,885,608	

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</b>					
<b>Careismatic Brands, Inc. (f/k/a New Trojan Parent, Inc.)</b>					
second lien senior secured notes,					
14.69% (SOFR + 9.25%),					
(0.50% floor) due January					
5, 2029 <sup>(4)(5)(17)(25)</sup>	January 22, 2021	\$ 12,000,000	\$ 11,566,849	\$ 60,000	
<b>HealthChannels, Inc. (f/k/a ScribeAmerica, LLC)</b>					
first lien senior secured notes,					
9.94% (SOFR + 4.50%), (0.00%					
floor) due April 3, 2025 <sup>(4)(5)(6)(14)</sup>					
<sup>(25)</sup>	October 31, 2018	18,738,774	18,615,874	13,585,611	
<b>Viant Medical Holdings, Inc.</b>					
first lien senior secured notes,					
9.19% (SOFR + 3.75%), (0.00%					
floor) due July 2, 2025 <sup>(4)(5)(6)(14)(25)</sup>					
	June 26, 2018	9,450,000	9,447,367	9,405,113	
second lien senior secured notes,					
13.19% (SOFR + 7.75%),					
(0.00% floor) due July 2, 2026 <sup>(4)</sup>					
<sup>(5)(14)(25)</sup>	June 26, 2018	5,000,000	4,984,043	4,912,500	
<b>Total Healthcare</b>			<b>\$ 44,614,133</b>	<b>\$ 27,963,224</b>	<b>19.4%</b>
<b>Software</b>					
<b>Alvaria, Inc. (f/k/a Aspect Software, Inc.)</b>					



first lien second out senior secured notes, 6.44% (SOFR + 1.00%) cash, 6.50% PIK, (0.75% floor) due May 5, 2028 <sup>(3)(4)(5)(15)(25)</sup>	March 20, 2024	\$ 2,110,563	\$ 1,565,639	\$ 1,561,817
first lien third out tranche A senior secured notes, 7.44% (SOFR + 2.00%) cash, 5.50% PIK, (0.75% floor) due May 5, 2028 <sup>(3)(4)(5)(15)(25)</sup>	March 20, 2024	4,923,009	2,302,604	2,289,199
first lien third out tranche B senior secured notes, 12.44% (SOFR + 7.00%), (0.75% floor) due May 5, 2028 <sup>(4)(5)(15)(25)</sup>	March 20, 2024	2,800,000	1,544,801	1,540,000
first lien fourth out senior secured notes, 12.44% (SOFR + 7.00%), (0.75% floor) due May 5, 2028 <sup>(4)(5)(15)(25)</sup>	March 20, 2024	2,800,000	703,611	700,000
<b>Dodge Data &amp; Analytics, LLC</b>				
first lien senior secured notes, 10.20% (SOFR + 4.75%), (0.50% floor) due February 23, 2029 <sup>(4)(5)(6)(14)(30)</sup>	February 10, 2022	4,912,500	4,855,207	3,979,125
second lien senior secured notes, 13.70% (SOFR + 8.25%), (0.50% floor) due February 25, 2030 <sup>(4)(5)(14)(30)</sup>	February 10, 2022	15,000,000	14,818,420	6,450,000
<b>Help/Systems Holdings, Inc.</b>				
first lien senior secured notes, 9.43% (SOFR + 4.00%), (0.75% floor) due November 19, 2026 <sup>(4)(5)(6)(14)(25)</sup>	October 6, 2022	4,435,832	4,228,790	4,297,212
second lien senior secured notes, 12.19% (SOFR + 6.75%), (0.75% floor) due November 19, 2027 <sup>(4)(5)(14)(30)</sup>	October 14, 2021	8,000,000	8,004,117	6,660,000

(continued on next page)

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### SCHEDULE OF INVESTMENTS (unaudited) — (continued)

September 30, 2023 March 31, 2024



COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION	PRINCIPAL		FAIR	% OF		ACQUISITION	PRINCIPAL		FAIR
	DATE	AMOUNT	COST	VALUE <sup>(2)</sup>	NET	ASSETS <sup>(31)</sup>	DATE	AMOUNT	COST	VALUE <sup>(2)</sup>
<b>Senior Secured Notes –</b>										
<b>(continued)</b>										
<b>Software – (continued)</b>										
<b>Kofax, Inc.</b>										
first lien senior secured										
notes, 10.66% (SOFR										
+ 5.25%), (0.50% floor)										
due July 20, 2029 <sup>(4)(5)(6)</sup>										
<sup>(30)</sup>										
	February						1, 2023	\$ 6,932,449	\$ 6,475,753	\$ 6,412,515
<b>Magenta Buyer, LLC</b>										
<b>(f/k/a McAfee</b>										
<b>Enterprise)</b>										
first lien senior secured										
notes, 10.57% (SOFR										
+ 5.00%), (0.75% floor)										
due July 27, 2028 <sup>(4)(5)(6)</sup>										
<sup>(30)</sup>										
	May						17, 2022	1,964,824	1,881,616	1,155,434
second lien senior										
secured notes, 13.82%										
(SOFR + 8.25%),										
(0.75% floor) due July										
27, 2029 <sup>(4)(5)(30)</sup>										
	October						20, 2021	14,968,714	14,928,080	4,340,927
<b>Quest Software, Inc.</b>										
first lien senior secured										
notes, 9.77%										
(SOFR + 4.25%),										
(0.50% floor) due										
February 1, 2029 <sup>(4)(5)(6)</sup>										
<sup>(14)(30)</sup>										
	January 20,						2022	\$ 2,970,000	\$ 2,946,232	\$ 2,472,525
second lien senior										
secured notes, 13.02%										
(SOFR + 7.50%),										
(0.50% floor) due										
February 1, 2030 <sup>(4)(5)(14)</sup>										
<sup>(30)</sup>										
	January 20,						2022	20,000,000	19,748,247	13,600,000
first lien senior secured										
notes, 9.71% (SOFR +										
4.25%), (0.50% floor)										
due February 1, 2029 <sup>(4)</sup>										
<sup>(5)(6)(14)(30)</sup>										
	January						20, 2022	2,955,000	2,933,076	2,253,188



second lien senior					January				
secured notes, 12.96% (SOFR + 7.50%), (0.50% floor) due February 1, 2030 <sup>(4)(5)(14)</sup> <sup>(30)</sup>					20, 2022	20,000,000	19,761,113	8,500,000	
RSA Security, LLC									
second lien senior									
secured notes, 13.18% (SOFR + 7.75%), (0.75% floor) due April 27, 2029 <sup>(4)(5)(14)(25)</sup>					April 16, 2021	15,000,000	14,791,215	9,600,000	
second lien senior									
secured notes, 13.19% (SOFR + 7.75%), (0.75% floor) due April 27, 2029 <sup>(4)(5)(14)(25)</sup>					April 16, 2021	15,000,000	14,812,374	8,850,000	
Veritas USA, Inc.									
first lien senior secured									
notes, 10.43% (SOFR + 5.00%), (1.00% floor) due September 1, 2025 <sup>(4)(5)(6)(25)</sup>					June 24, 2022	3,965,870	3,466,525	3,450,307	
first lien senior secured									
notes, 10.44% (SOFR + 5.00%), (1.00% floor) due September 1, 2025 <sup>(4)(5)(6)(25)</sup>					June 24, 2022	3,945,480	3,562,339	3,640,810	
Total Software							<u>\$108,880,392</u>	<u>\$ 76,077,281</u>	<u>47.3%</u>
Telecommunication Services									
ConvergeOne Holdings, Inc.									
first lien senior secured									
notes, 10.37% (LIBOR + 5.00%), (0.00% floor) due January 4, 2026 <sup>(4)</sup> <sup>(5)(6)(10)</sup>					June 4, 2021	\$ 5,253,387	\$ 5,223,940	\$ 3,204,566	
second lien senior									
secured notes, 13.87% (LIBOR + 8.50%), (0.00% floor) due January 4, 2027 <sup>(4)(5)(10)</sup>					June 3, 2021	15,000,000	14,549,897	3,801,600	



first lien senior secured notes, 12.50% (Prime Rate + 4.00%), (0.00% floor) due January 4, 2026 <sup>(4)(5)(6)(17)(29)</sup>					June 4, 2021	\$ 5,239,634	\$ 5,212,216	\$ 995,530
second lien senior secured notes, 16.00% (Prime Rate + 7.50%), (0.00% floor) due January 4, 2027 <sup>(4)(5)(17)</sup> <sup>(29)</sup>					June 3, 2021	15,000,000	14,562,375	450,000
Global Tel Link Corp.								
second lien senior secured notes, 15.52% (SOFR + 10.00%), (0.00% floor) due November 29, 2026 <sup>(4)(5)</sup> <sup>(14)(30)</sup>	November 20, 2018	17,000,000	16,848,664	14,790,000				
second lien senior secured notes, 15.33% (SOFR + 10.00%), (0.00% floor) due November 29, 2026 <sup>(4)(5)</sup> <sup>(14)(25)</sup>	November 20, 2018	17,000,000	16,871,382	14,960,000				
Total Telecommunication Services			\$ 36,622,501	\$ 21,796,166	13.5%		\$ 36,645,973	\$ 16,405,530
Utilities CLEAResult Consulting, Inc.								
second lien senior secured notes, 12.67% (SOFR + 7.25%), (0.00% floor) due August 10, 2026 <sup>(4)(5)(25)</sup>	August 3, 2018	\$ 7,650,000	7,657,050	\$ 7,210,125				
second lien senior secured notes, 12.68% (SOFR + 7.25%), (0.00% floor) due August 10, 2026 <sup>(4)(5)(14)</sup> <sup>(25)</sup>	August 3, 2018	\$ 7,650,000	7,655,973	7,410,938				
Total Utilities			\$ 7,657,050	\$ 7,210,125	4.5%		\$ 7,655,973	7,410,938
Total Senior Secured Notes			\$280,053,601	\$193,664,825	120.4%		\$263,980,371	\$161,734,048
Collateralized Loan Obligation –								
Equity								
Investments								



## Structured Finance

### Atlas Senior Loan Fund

#### XI, Ltd.

CLO subordinated notes,

estimated yield 0.00%

due July 26, 2031<sup>(9)(11)</sup>

<sup>(12)(18)(24)</sup>

April 5, 2019 \$ 5,725,000 \$ 2,205,002 \$ 515,250

(continued on next page)

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

4

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### SCHEDULE OF INVESTMENTS (unaudited) — (continued)

September 30, 2023 March 31, 2024

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>	% OF NET ASSETS <sup>(31)</sup>
<b>Collateralized Loan Obligation –</b>					
<b><u>Equity</u></b>					
<b><u>Investments</u> – (continued)</b>					
<b>Structured Finance – (continued)</b>					
<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	\$ 1,485,774	\$ 717,075	
<b>Carlyle Global Market Strategies</b>					
<b>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	544,329	625	
<b>Carlyle Global Market Strategies</b>					
<b>CLO 2021-6, Ltd.</b>					
CLO subordinated notes,					
estimated yield 14.70% due					
July 17, 2034 <sup>(9)(11)(12)(14)(18)</sup>	June 30, 2021	29,600,000	21,007,209	17,760,000	
<b>Cedar Funding II CLO, Ltd.</b>					
CLO subordinated notes,					
estimated yield 10.49% due	October 23,				
April 20, 2034 <sup>(9)(11)(12)(13)(18)(26)</sup>	2013	18,000,000	11,728,374	7,975,060	
<b>Cedar Funding VI CLO, Ltd.</b>					



CLO subordinated notes, estimated yield 12.38% due					
April 20, 2034 <sup>(9)(11)(12)(18)</sup>	May 15, 2017	7,700,000	6,381,058	4,697,000	
<b>CIFC Funding 2014-3, Ltd.</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	3,533,853	1,900,000	
<b>Dryden 43 Senior Loan Fund</b>					
CLO subordinated notes, estimated yield 16.98% due					
April 20, 2034 <sup>(9)(11)(12)(14)(18)</sup>	June 1, 2021	47,263,000	27,944,407	21,977,295	
<b>Madison Park Funding XVIII, Ltd.</b>					
CLO subordinated notes, estimated yield 25.03% due					
October 21, 2030 <sup>(9)(11)(12)(18)(24)</sup>	May 22, 2020	12,500,000	4,317,718	4,562,500	
<b>Madison Park Funding XIX, Ltd.</b>					
CLO subordinated notes, estimated yield 21.46% due					
January 22, 2028 <sup>(9)(11)(12)(18)(24)</sup>	May 11, 2016	5,422,500	3,203,599	2,711,250	
<b>Octagon Investment Partners 49, Ltd.</b>					
CLO subordinated notes, estimated yield 13.33% due					
January 18, 2033 <sup>(9)(11)(12)(13)(14)(18)(26)</sup>	December 11, 2020	28,875,000	19,145,273	12,157,515	
<b>PPM CLO 4, Ltd.</b>					
CLO subordinated notes, estimated yield 24.46% due					
October 18, 2034 <sup>(9)(11)(12)(18)</sup>	September 28, 2022	7,000,000	4,096,926	3,920,000	

  

COMPANY/INVESTMENT <sup>(1)(20)</sup>	ACQUISITION	PRINCIPAL		% OF	
	DATE	AMOUNT/ SHARES	COST	FAIR VALUE <sup>(2)</sup>	NET ASSETS <sup>(10)</sup>
<b><u>Collateralized Loan Obligation –</u></b>					
<b><u>Equity Investments</u></b>					
<b>Structured Finance</b>					
<b>Ares XLIV CLO Ltd.</b>					
CLO subordinated notes, estimated					
yield 30.19% due April 15, 2034 <sup>(9)(11)(12)(18)(24)</sup>	December 15, 2023	\$ 5,000,000	\$ 1,404,964	\$ 1,372,488	
<b>Atlas Senior Loan Fund XI, Ltd.</b>					



CLO subordinated notes, estimated				
yield 0.00% due July 26, 2031 <sup>(9)</sup>				
(11)(12)(18)(24)(32)	April 5, 2019	5,725,000	2,135,286	286,250
<b>Bain Capital Credit CLO 2017-2, Ltd.</b>				
CLO subordinated notes, estimated				
yield 22.40% due July 25, January				
2034 <sup>(9)(11)(12)(18)(24)</sup>	17, 2024	3,086,500	1,764,509	1,759,305
<b>BlueMountain CLO 2014-2 Ltd.</b>				
CLO subordinated notes, estimated				
yield 0.00% due October 20,				
2030 <sup>(9)(11)(12)(18)(32)</sup>	April 3, 2019	6,374,000	1,213,819	701,140
<b>Carlyle Global Market Strategies CLO 2013-2, Ltd.</b>				
CLO subordinated notes, estimated				
yield 0.00% due January 18, March				
2029 <sup>(9)(11)(12)(18)(24)(31)(32)</sup>	19, 2013	6,250,000	544,329	625
<b>Carlyle Global Market Strategies CLO 2021-6, Ltd.</b>				
CLO subordinated notes, estimated				
yield 14.36% due July 17,				
2034 <sup>(9)(11)(12)(14)(18)</sup>	June 30, 2021	29,600,000	20,473,519	16,132,000
<b>Cedar Funding II CLO, Ltd.</b>				
CLO subordinated notes, estimated				
yield 10.33% due April 20, October				
2034 <sup>(9)(11)(12)(13)(14)(18)(26)</sup>	23, 2013	18,000,000	11,853,712	8,230,782
<b>Cedar Funding VI CLO, Ltd.</b>				
CLO subordinated notes, estimated				
yield 12.61% due April 20,				
2034 <sup>(9)(11)(12)(18)</sup>	May 15, 2017	7,700,000	6,296,008	4,620,000
<b>CIFC Funding 2014-3, Ltd.</b>				
CLO subordinated notes, estimated				
yield 2.71% due October 22, January				
2031 <sup>(9)(11)(12)(18)(24)</sup>	24, 2017	10,000,000	3,063,882	1,700,000
<b>Dryden 43 Senior Loan Fund</b>				
CLO subordinated notes, estimated				
yield 16.61% due April 20,				
2034 <sup>(9)(11)(12)(14)(18)</sup>	June 1, 2021	47,263,000	27,156,634	20,795,720
<b>Gulf Stream Meridian 4 Ltd.</b>				



CLO subordinated notes, estimated				
yield 24.48% due July 15,	November			
2034 <sup>(9)(11)(12)(18)(24)</sup>	15, 2023	3,125,000	1,844,130	1,927,426
<b>Madison Park Funding XVIII, Ltd.</b>				
CLO subordinated notes, estimated				
yield 25.50% due October 21,				
2030 <sup>(9)(11)(12)(18)(24)</sup>	May 22, 2020	12,500,000	3,832,288	4,375,000

(continued on next page)

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

[Table of Contents](#)

OXFORD SQUARE CAPITAL CORP.

SCHEDULE OF INVESTMENTS (unaudited) — (continued)

September 30, 2023 March 31, 2024

COMPANY/INVESTMENT <sup>(1)</sup>  <sup>(20)</sup>	PRINCIPAL		FAIR VALUE <sup>(2)</sup>	% OF NET ASSETS <sup>(31)</sup>	PRINCIPAL		FAIR VALUE <sup>(2)</sup>	% OF NET ASSETS
	ACQUISITION DATE	AMOUNT/ SHARES			ACQUISITION DATE	AMOUNT/ SHARES		
<b>Collateralized Loan</b>								
<b>Obligation – Equity</b>								
<b>Investments –</b>								
<b>(continued)</b>								
<b>Structured Finance –</b>								
<b>(continued)</b>								
<b>Madison Park</b>								
<b>Funding XIX, Ltd.</b>								
CLO subordinated								
notes, estimated								
yield 8.25% due								
January 22, 2037 <sup>(9)</sup>					May			
<sup>(11)(12)(18)(24)</sup>					11, 2016	\$ 5,422,500	\$ 3,134,343	\$ 2,765,475
<b>Octagon Investment</b>								
<b>Partners 49, Ltd.</b>								
CLO subordinated								
notes, estimated								
yield 13.76% due								
January 18, 2033 <sup>(9)</sup>					December			
<sup>(11)(12)(13)(14)(18)(26)</sup>					11, 2020	26,375,000	17,359,179	15,314,087
<b>Sound Point CLO</b>								
<b>XVI, Ltd.</b>								
CLO subordinated								
notes, estimated								
yield 0.00% due								
July 25, 2030 <sup>(9)(11)</sup>	August 1,							
<sup>(12)(18)</sup>	2018	\$45,500,000	\$ 20,081,684	\$ 1,365,000				



CLO subordinated notes, estimated yield 0.00% due July 25, 2030 <sup>(9)(11)</sup> (12)(18)(32)					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 <sup>(9)(11)</sup> (12)(18)(24)	January 25, 2013	14,447,790	6,207,075	1,445				
CLO subordinated notes, estimated yield 0.00% due July 17, 2026 <sup>(9)(11)</sup> (12)(18)(24)(32)					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 <sup>(9)(11)</sup> (12)(18)	April 11, 2014	28,500,000	18,179,226	2,850				
CLO subordinated notes, estimated yield 0.00% due April 17, 2028 <sup>(9)(11)</sup> (12)(18)(32)					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 <sup>(9)(11)</sup> (12)(18)(24)	January 27, 2017	6,200,000	2,321,562	62,000				
CLO subordinated notes, estimated yield 0.00% due April 15, 2027 <sup>(9)(11)</sup> (12)(18)(24)(32)					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 <sup>(9)(11)</sup> (12)(18)(24)	July 27, 2018	3,000,000	332,779	—				



CLO subordinated notes, estimated yield 0.00% due April 15, 2027 <sup>(9)(11)</sup> (12)(18)(24)(31)(32)					July 27, 2018	3,000,000	332,779	—
<b>Venture 35 CLO, Limited</b>								
CLO subordinated notes, estimated yield 5.32% due October 22, 2031 <sup>(9)</sup> (11)(12)(18)	December 7, 2020	5,000,000	1,871,134	1,250,000				
CLO subordinated notes, estimated yield 35.84% due October 22, 2031 <sup>(9)</sup> (11)(12)(18)					December 7, 2020	5,000,000	1,586,694	900,000
<b>Venture 39 CLO, Limited</b>								
CLO subordinated notes, estimated yield 23.55% due April 15, 2033 <sup>(9)(11)</sup> (12)(13)(18)(24)(26)	May 8, 2020	5,150,000	3,047,674	2,445,775				
CLO subordinated notes, estimated yield 17.53% due April 15, 2033 <sup>(9)(11)</sup> (12)(13)(18)(24)(26)					May 8, 2020	5,906,559	3,281,512	2,671,092
<b>West CLO 2014-1, Ltd.</b>								
CLO subordinated notes, estimated yield 0.00% due July 18, 2026 <sup>(9)(11)</sup> (12)(18)(24)	May 12, 2017	9,250,000	1,127,401	37,925				
CLO subordinated notes, estimated yield 0.00% due July 18, 2026 <sup>(9)(11)</sup> (12)(18)(24)(31)(32)					May 12, 2017	9,250,000	1,127,401	45,325
<b>Zais CLO 6, Ltd.</b>								



CLO subordinated notes, estimated yield 0.00% due July 15, 2029 <sup>(9)(11)</sup> (12)(13)(18)(26)	May 3, 2017	10,500,000	5,073,782	83,777						
CLO subordinated notes, estimated yield 0.00% due July 15, 2029 <sup>(9)(11)</sup> (12)(13)(18)(26)(32)	May 3, 2017	10,500,000	5,071,541	130,513						
Total Structured Finance Total Collateralized Loan Obligation – Equity Investments			\$163,835,839	\$84,142,342	52.3%			\$160,266,076	\$84,202,023	5
Common Stock										
IT Consulting UniTek Global Services, Inc.										
common equity <sup>(7)(27)</sup>	January 13, 2015	1,244,188	\$ 684,960	\$ —		January 13, 2015	1,244,188	\$ 684,960	\$ —	
Total IT Consulting Total Common Stock			\$ 684,960	\$ —	0.0%			\$ 684,960	\$ —	

(continued on next page)

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### SCHEDULE OF INVESTMENTS (unaudited) — (continued)

September 30, 2023 March 31, 2024

COMPANY/INVESTMENT <sup>(1)</sup>  (20)	PRINCIPAL					% OF NET ASSETS <sup>(31)</sup>	PRINCIPAL					% OF NET ASSETS
	ACQUISITION	AMOUNT/	COST	FAIR VALUE <sup>(2)</sup>	ACQUISITION		AMOUNT/	COST	FAIR VALUE <sup>(2)</sup>			
	DATE	SHARES			DATE		SHARES					
<b>Preferred Stock</b>												
IT Consulting												
UniTek Global												
Services, Inc.												
Series B Preferred	June 26,					June						
Stock <sup>(3)(17)(21)(27)</sup>	2019	18,150,478	\$	9,002,159	\$	—	26, 2019	19,396,309	\$	9,002,159	\$	—



Series B Senior Preferred Stock <sup>(3)</sup>	June 26, 2019	9,579,156	4,535,443	2,273,134	June 26, 2019	10,510,789	4,535,443	—
(17)(22)(27)								
Series B Super Senior Preferred Stock <sup>(3)(17)(23)(27)</sup>	June 26, 2019	5,434,859	2,614,260	5,436,489	June 26, 2019	5,991,932	2,614,260	4,919,975
Total IT Consulting			\$ 16,151,862	\$ 7,709,623			\$ 16,151,862	\$ 4,919,975
Total Preferred Equity			\$ 16,151,862	\$ 7,709,623			\$ 16,151,862	\$ 4,919,975
Total Investments in Securities <sup>(8)</sup>			\$460,726,262	\$285,516,790			\$441,083,269	\$250,856,046
Cash Equivalents								
First American Government Obligations Fund – Class Z Shares, 5.22% <sup>(14)(19)</sup>		11,457,400	\$ 11,457,400	\$ 11,457,400				
First American Government Obligations Fund – Class Z Shares, 5.20% <sup>(14)(19)</sup>					20,227,778	\$ 20,227,778	\$ 20,227,778	
Total Cash Equivalents			\$ 11,457,400	\$ 11,457,400			\$ 20,227,778	\$ 20,227,778
Total Investments in Securities and Cash Equivalents			\$472,183,662	\$296,974,190			\$461,311,047	\$271,083,824

- 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.
- Fair value is determined in good faith by the Board of Directors of the Company.
- As of September 30, 2023 March 31, 2024, the portfolio includes \$15,991,521 \$24,366,031 principal amount of debt investments and 33,164,493 35,899,030 shares of preferred stock investments which contain a PIK payment-in-kind ("PIK") provision.
- Notes bear interest at variable rates and are subject to an interest rate floor where disclosed. The rate disclosed is as of September 30, 2023 March 31, 2024.
- Cost value reflects accretion of original issue discount or market discount, or amortization of premium.
- Cost value reflects repayment of principal.
- Common stock investments were non-income producing as of September 30, 2023 March 31, 2024.
- Aggregate gross unrealized appreciation for U.S. federal income tax purposes is \$2,348,446; \$3,424,612; aggregate gross unrealized depreciation for U.S. federal income tax purposes is \$206,887,614. \$217,550,946. Net unrealized depreciation is \$204,539,168 \$214,126,334 based upon an estimated tax cost basis of \$490,055,958 \$464,982,380 as of September 30, 2023 March 31, 2024.
- Cost reflects accretion of effective yield less any cash distributions received or entitled to be received from CLO collateralized loan obligation ("CLO") equity investments.



- (10) The principal balance outstanding for this debt investment, in whole or in part, is indexed Totals may not sum due to 180-day LIBOR, rounding.
- (11) Indicates assets that the Company believes do not represent "qualifying assets" under Section 55(a) of the Investment Company Act of 1940, Act, as amended (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 September 30, 2023 March 31, 2024, the Company held qualifying assets that represented 72.4% 69.4% 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) On March 20, 2024, Alvania, Inc. completed a recapitalization, by which the Company was assigned new tranches of a new first lien term loan in exchange for its interests in the first and second lien term loans. The Company exchanged \$7.8 million of principal balance outstanding in the former first lien term loan for this debt investment, approximately \$2.1 million of the first lien second out exchange term loan and approximately \$4.9 million of the first lien third out tranche A exchange term loan. The Company exchanged \$7.0 million of principal in whole or the former second lien term loan for \$2.8 million of the first lien third out tranche B exchange term loan and \$2.8 million of the first lien fourth out exchange term loan. All tranches have characteristics of a traditional first lien senior secured loan, however, the first out, second out, third out and fourth out tranches are given priority with respect to payments of principal in that respective order.

(continued on next page)

The accompanying notes are an integral part is indexed to 30 of these financial statements.

7

[Table of Contents](#)

-day OXFORD SQUARE CAPITAL CORP. LIBOR.

#### SCHEDULE OF INVESTMENTS (unaudited) — (continued)

March 31, 2024

- (16) The amended stated maturity date is June 8, 2023, however, a springing maturity date of September 9, 2021 is in effect as of September 30, 2023 March 31, 2024.

(continued on next page)

See Accompanying Notes.

7

[Table of Contents](#)

OXFORD SQUARE CAPITAL CORP.

#### SCHEDULE OF INVESTMENTS (unaudited) — (continued)

September 30, 2023

- (17) As of September 30, 2023 March 31, 2024, 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 nine three months ended September 30, 2023 March 31, 2024. The aggregate fair value of these investments was approximately \$8.2 \$6.9 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 a money market fund as of **September 30, 2023** **March 31, 2024**.
- (20) The fair value of the investment was determined using significant unobservable inputs. See "Note 4. 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.
- (27) These investments are deemed to be an "affiliate," as defined in the **Investment Company Act of 1940 (the "1940 Act")**, **Act**. In general, under the 1940 Act, we would be presumed to "control" a portfolio company if we owned **more than 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** **March 31, 2024** and **September 30, 2023** **December 31, 2023** along with transactions during the **nine three** months ended **September 30, 2023** **March 31, 2024** in these affiliated investments are as follows:

								Amount of Interest or Dividends Credited to				Fair Value as of	
		Amount of Interest or Dividends Credited to		Fair Value as of		Net Change in Unrealized Appreciation		September 30, 2023		December 31, 2023		December 31, 2023	
Name of Issuer	Title of Issue	Income <sup>(a)</sup>	31, 2022	Gross Additions <sup>(b)</sup>	Gross Reductions <sup>(c)</sup>	Unrealized Appreciation	2023	Name of Issuer	Title of Issue	Income <sup>(a)</sup>	2023	Ad	
<b>AFFILIATED INVESTMENT:</b>								<b>AFFILIATED INVESTMENT:</b>					
Unitek Global Systems, Inc	Common Stock	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	Unitek Global Systems, Inc	Common Stock	\$ —	\$ —	\$ —	
	Series B Preferred Stock	—	—	—	—	—	—		Series B Preferred Stock	—	—	—	
	Series B Senior Preferred Stock	—	500,053	—	—	1,773,081	2,273,134		Series B Senior Preferred Stock	—	221,755		
	Series B Super Senior Preferred Stock	—	3,849,765	—	—	1,586,724	5,436,489		Series B Super Senior Preferred Stock	—	5,054,337		
Total Affiliated Investment		—	4,349,818	—	—	3,359,805	7,709,623	Total Affiliated Investment		—	5,276,092		
Total Control Investment		—	—	—	—	—	—	Total Control Investment		—	—		



TOTAL										TOTAL									
CONTROL										CONTROL									
AND										AND									
AFFILIATED										AFFILIATED									
INVESTMENTS		\$	— \$4,349,818		\$	— \$		— \$		3,359,805		7,709,623		INVESTMENTS		\$	— \$5,276,092		\$

- (a) Represents the total amount of interest or distributions credited to income for the portion of the period an investment was an affiliate investment.

(continued on next page)

See Accompanying Notes.

8

[Table of Contents](#)

#### OXFORD SQUARE CAPITAL CORP.

#### SCHEDULE OF INVESTMENTS (unaudited) — (continued)

September 30, 2023

- (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 nine three months ended September 30, 2023 March 31, 2024, a total of approximately \$3.7 million \$1.4 million of paid-in-kind PIK 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.

(continued on next page)

The accompanying notes are an integral part of these financial statements.

8

[Table of Contents](#)

#### OXFORD SQUARE CAPITAL CORP.

#### SCHEDULE OF INVESTMENTS (unaudited) — (continued)

March 31, 2024

- (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 September 30, 2023 March 31, 2024.
- (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%. Rate.
- (30) The principal balance outstanding for this debt investment, in whole or in part, is indexed to 90-day SOFR.
- (31) Totals may not sum due The CLO equity investment was optionally redeemed. Expected value of residual distributions, once received, is anticipated to rounding. 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.
- See Accompanying Notes. (32) As of March 31, 2024, the effective yield has been estimated to be 0%. The aggregate projected amount of future recurring distributions and terminal principal payment is less than the amortized investment cost.

The accompanying notes are an integral part of these financial statements.



[Table of Contents](#)
**OXFORD SQUARE CAPITAL CORP.**
**SCHEDULE OF INVESTMENTS**
**December 31, 2022 2023**

COMPANY/INVESTMENT <sup>(1)</sup>  <sup>(20)</sup>					% OF						% OF
	ACQUISITION	PRINCIPAL		FAIR	NET	ACQUISITION	PRINCIPAL		FAIR	NET	
	DATE	AMOUNT	COST	VALUE <sup>(2)</sup>	ASSETS	DATE	AMOUNT	COST	VALUE <sup>(2)</sup>	ASSETS <sup>(10)</sup>	
Senior Secured Notes											
Business Services											
Access CIG, LLC											
second lien senior secured notes, 11.82% (LIBOR + 7.75%), (0.00% floor) due February 27, 2026 <sup>(4)(5)(14)(15)</sup>	February 14, 2018	\$16,754,000	\$16,801,208	\$14,743,520							
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							
Convergent Technologies, LLC											
first lien senior secured notes, 9.07% (SOFR+ 4.75%), (0.75% floor) due March 31, 2028 <sup>(4)</sup> <sup>(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)</sup> <sup>(5)(14)(15)</sup>	March 18, 2021	11,000,000	10,957,972	9,661,630							
OMNIA Partners, Inc.											



second lien senior secured notes, 12.08% (SOFR + 7.50%), (0.00% floor) due May 22, 2026 <sup>(4)(5)</sup> <sup>(6)(14)(30)</sup>	May				
	17, 2018	13,812,665	13,777,768	13,536,412	
first lien senior secured notes, 10.11% (SOFR + 4.75%), (0.75% floor) due March 31, 2028 <sup>(4)(5)(6)(14)</sup> <sup>(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	
Premiere Global Services, Inc.					
first lien senior secured notes, 13.00% (Prime Rate + 5.50%), (1.00% floor) due September 9, 2021 <sup>(4)(5)(6)(17)(29)(32)</sup>	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)</sup> <sup>(29)</sup>	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)</sup> <sup>(16)(17)</sup>	October				
	1, 2019	13,958,099	9,817,795	—	



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	—					
Verifone Systems, Inc.									
first lien senior secured notes, 8.76% (LIBOR + 4.00%), (0.00% floor) due August 20, 2025 <sup>(4)</sup> <sup>(5)(6)(14)(16)</sup>	August 9, 2018	14,063,666	13,471,768	12,870,505					
first lien senior secured notes, 9.64% (SOFR + 4.00%), (0.00% floor) due August 20, 2025 <sup>(4)(5)(6)(14)</sup> <sup>(30)</sup>	August 9, 2018	13,917,169	13,532,801	13,534,447					
Total Business Services			\$81,070,284	\$53,374,591	38.5%		\$67,339,872	\$43,043,013	28.4%
Diversified Insurance Affinion Insurance Solutions, Inc. (f/k/a AIS Intermediate, LLC)									



first lien senior secured notes, 9.41% (LIBOR + 5.00%), (0.00% floor) due August 15, 2025 <sup>(4)</sup>	January	(5)(6)(14)(16)	7, 2021	\$15,209,069	\$14,898,830	\$14,676,752			
first lien senior secured notes, 10.64% (SOFR + 5.00%), (0.00% floor) due August 15, 2025 <sup>(4)(5)(6)(14)</sup>	January	(30)	7, 2021	14,454,220	\$14,262,497	\$13,876,051			
<b>Total Diversified Insurance</b>					<b>\$14,898,830</b>	<b>\$14,676,752</b>	<b>10.6%</b>	<b>\$14,262,497</b>	<b>\$13,876,051</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)</sup>	January	(5)(14)(15)	22, 2021	\$12,000,000	\$11,945,298	\$ 7,800,000			
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, 8.88% (LIBOR + 4.50%), (0.00% floor) due April 3, 2025 <sup>(4)(5)(6)</sup>	October	(14)(15)	31, 2018	19,018,255	18,756,372	13,170,142			



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
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(continued on next page)

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

10

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### SCHEDULE OF INVESTMENTS — (continued)

December 31, ~~2022~~ 2023

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>Healthcare – (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)(6)(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)	February				
due February 23, 2029 <sup>(4)(5)(6)(14)(25)</sup>	10, 2022	4,975,000	4,905,467	3,880,500	
second lien senior secured notes, 13.29%					
(SOFR + 8.25%), (0.50% floor)	February				
due February 25, 2030 <sup>(4)(5)(14)(25)</sup>	10, 2022	15,000,000	14,791,880	9,900,000	
<b>Fortra, LLC (f/k/a Help/Systems Holdings, Inc.)</b>					
first lien senior secured notes, 8.19%					
(SOFR + 4.00%), (0.75% floor)	October				
due November 19, 2026 <sup>(4)(5)(14)(30)</sup>	6, 2022	2,493,590	2,307,089	2,237,997	
second lien senior secured notes, 10.94%					
(SOFR + 6.75%), (0.75% floor)	October				
due November 19, 2027 <sup>(4)(5)(14)(30)</sup>	14, 2021	8,000,000	8,009,007	6,260,000	
<b>Magenta Buyer, LLC (f/k/a McAfee Enterprise)</b>					
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)	October				
due July 27, 2029 <sup>(4)(5)(14)(16)</sup>	20, 2021	14,968,714	14,923,007	11,725,443	
<b>Quest Software, Inc.</b>					
first lien senior secured notes, 8.49%					
(SOFR + 4.25%), (0.50% floor)	January				
due February 1, 2029 <sup>(4)(5)(6)(14)(30)</sup>	20, 2022	2,992,500	2,965,677	2,311,706	
second lien senior secured notes, 11.74%					
(SOFR + 7.50%), (0.50% floor)	January				
due February 1, 2030 <sup>(4)(5)(14)(30)</sup>	20, 2022	20,000,000	19,725,475	12,033,400	

				% OF	
	ACQUISITION	PRINCIPAL		FAIR	NET
COMPANY/INVESTMENT <sup>(1)(20)</sup>	DATE	AMOUNT	COST	VALUE <sup>(2)</sup>	ASSETS <sup>(10)</sup>
<b><u>Senior Secured Notes – (continued)</u></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)</sup>					
(5)(14)(25)	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>
<b>Software</b>					
<b>Alvaria, Inc. (f/k/a Aspect Software, Inc.)</b>					
first lien senior secured notes, 10.88% (SOFR + 5.25%), (0.75% floor) due May 8, 2028 <sup>(4)</sup>					
(5)(6)(30)	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)</sup>					
(5)(30)	May 3, 2021	7,000,000	6,834,961	2,263,310	
<b>Dodge Data &amp; Analytics, LLC</b>					
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	
<b>Help/Systems Holdings, Inc.</b>					
first lien senior secured notes, 9.48% (SOFR + 4.00%), (0.75% floor) due November 19, 2026 <sup>(4)</sup>					
(5)(6)(14)(30)	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	
<b>Kofax, Inc.</b>					
first lien senior secured notes, 10.73% (SOFR + 5.25%), (0.50% floor) due July 20, 2029 <sup>(4)</sup>					
(5)(6)(30)	February 1, 2023	4,950,000	4,648,421	4,455,000	
<b>Magenta Buyer, LLC (f/k/a McAfee Enterprise)</b>					



first lien senior secured notes, 10.64% (SOFR + 5.00%), (0.75% floor) due July 27, 2028 <sup>(4)</sup>				
(5)(6)(30)	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)</sup>				
(5)(30)	October 20, 2021	14,968,714	14,925,574	5,688,111
<b>Quest Software, Inc.</b>				
first lien senior secured notes, 9.78% (SOFR + 4.25%), (0.50% floor) due February 1, 2029 <sup>(4)(5)(6)</sup>				
(14)(30)	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)

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

[Table of Contents](#)

# OXFORD SQUARE CAPITAL CORP.

## SCHEDULE OF INVESTMENTS — (continued)

December 31, 2022 2023

COMPANY/INVESTMENT <sup>(1)(20)</sup>	% OF				ACQUISITION DATE	PRINCIPAL		FAIR	
	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>		NET ASSETS	AMOUNT/SHARES	COST	VALUE <sup>(2)</sup>
<b>Senior Secured Notes – (continued)</b>									
<b>Software – (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									
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, 9.73% (LIBOR + 5.00%), (1.00% floor) due September 1, 2025 <sup>(4)(5)</sup> <sup>(16)</sup>	June 24,			
	2022	1,996,455	1,728,757	1,402,510
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>		<b>\$100,604,253</b>	<b>\$ 68,995,406</b>	<b>49.8%</b>
<b>Telecommunication Services</b>				
<b>ConvergeOne Holdings, Inc.</b>				
first lien senior secured notes, 9.38% (LIBOR + 5.00%), (0.00% floor) due January 4, 2026 <sup>(4)(5)(6)</sup> <sup>(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)</sup> <sup>(15)</sup>	June 3, 2021	15,000,000	14,469,378	6,375,000
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, 14.24% (SOFR + 10.00%), (0.00% floor) due November 29, 2026 <sup>(4)(5)</sup> <sup>(14)(30)</sup>	November 20, 2018	17,000,000	16,819,191	12,771,250



second lien senior									
secured notes, 15.53%									
(SOFR + 10.00%),									
(0.00% floor) due									
November 29, 2026 <sup>(4)(5)</sup>							November		
(14)(30)							20, 2018	17,000,000	16,853,072 14,960,000
<b>Total</b>									
<b>Telecommunication</b>									
<b>Services</b>									
									<b>\$ 36,627,663 \$ 20,889,647</b>
<b>Utilities</b>									
<b>CLEAResult Consulting, Inc.</b>									
second lien senior									
secured notes, 11.63%									
(LIBOR + 7.25%),									
(0.00% floor) due									
August 3,									
August 10, 2026 <sup>(4)(5)(15)</sup>							2018	\$ 7,650,000 \$ 7,660,899 \$ 6,846,750	
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>\$ 7,660,899 \$ 6,846,750 4.9%</b>	<b>\$ 7,656,195 \$ 7,248,375</b>
<b>Total Senior</b>									
<b>Secured Notes</b>									
								<b>\$298,396,901 \$211,431,070 152.5%</b>	<b>\$279,458,897 \$179,456,385</b>
<b><u>Collateralized Loan</u></b>									
<b><u>Obligation – Equity</u></b>									
<b><u>Investments</u></b>									
<b><u>Structured Finance</u></b>									
<b>Ares XLIV CLO Ltd.</b>									
CLO subordinated notes,									
estimated yield 20.16%									
due April 15, 2034 <sup>(9)(11)</sup>							December		
(12)(18)(24)							15, 2023	5,000,000 1,425,478 1,432,607	
<b>Atlas Senior Loan Fund XI, Ltd.</b>									
CLO subordinated notes,									
estimated yield 0.00%									
due July 26, 2031 <sup>(9)(11)</sup>									
(12)(18)(24)							April 5, 2019	\$ 5,725,000 \$ 2,886,269 \$ 1,030,500	April 5, 2019 5,725,000 2,135,286 400,750
<b>Babson CLO Ltd. 2015-I</b>									
CLO subordinated notes,									
estimated yield 7.73%									
due January 21, 2031 <sup>(9)</sup>							July 26,		
(11)(12)(18)							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)</sup>					
(11)(12)(18)	April 3, 2019	6,374,000	1,921,345	828,620	
CLO subordinated notes, estimated yield 7.29% due October 20, 2030 <sup>(9)</sup>					
(11)(12)(18)	April 3, 2019	6,374,000	1,348,136	701,140	
<b>Carlyle Global Market Strategies CLO 2013- 2, Ltd.</b>					
CLO subordinated notes, estimated yield 0.00% due January 18, 2029 <sup>(9)</sup>					
(11)(12)(18)(24)	March 19, 2013	6,250,000	583,940	44,512	
CLO subordinated notes, estimated yield 0.00% due January 18, 2029 <sup>(9)</sup>					
(11)(12)(18)(24)(32)	March 19, 2013	6,250,000	544,329	625	
<b>Carlyle Global Market Strategies CLO 2021- 6, Ltd.</b>					
CLO subordinated notes, estimated yield 13.46% due July 17, 2034 <sup>(9)(11)</sup>					
(12)(14)(18)	June 30, 2021	29,600,000	22,063,681	16,280,000	
CLO subordinated notes, estimated yield 14.85% due July 17, 2034 <sup>(9)(11)</sup>					
(12)(14)(18)	June 30, 2021	29,600,000	20,677,311	17,612,000	

(continued on next page)

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### SCHEDULE OF INVESTMENTS — (continued)

December 31, 2022 2023

COMPANY/INVESTMENT <sup>(1)</sup>					% OF NET ASSETS					% OF NET ASSETS <sup>(10)</sup>
	ACQUISITION DATE	PRINCIPAL AMOUNT	COST	FAIR VALUE <sup>(2)</sup>		ACQUISITION DATE	AMOUNT/ SHARES	COST	FAIR VALUE <sup>(2)</sup>	



<u>Collateralized Loan</u>								
<u>Obligation – Equity</u>								
<u>Investments –</u>								
(continued)								
Structured Finance –								
(continued)								
Cedar Funding II								
CLO, Ltd.								
CLO subordinated								
notes, estimated								
yield 9.69% due								
April 20, 2034 <sup>(9)(11)</sup>	October							
(12)(13)(14)(18)(26)	23, 2013	\$18,000,000	\$11,828,545	\$	8,546,146			
CLO subordinated								
notes, estimated								
yield 11.36% due								
April 20, 2034 <sup>(9)(11)</sup>					October			
(12)(13)(14)(18)(26)	23, 2013	\$18,000,000	\$11,807,281	\$	8,473,884			
Cedar Funding VI								
CLO, Ltd.								
CLO subordinated								
notes, estimated								
yield 11.22% due								
April 20, 2034 <sup>(9)(11)</sup>								
(12)(18)	May 15, 2017	7,700,000	6,707,667	4,851,000				
CLO subordinated								
notes, estimated								
yield 13.08% due								
April 20, 2034 <sup>(9)(11)</sup>					May			
(12)(18)	15, 2017	7,700,000	6,340,254	4,697,000				
CIFC Funding 2014-								
3, Ltd.								
CLO subordinated								
notes, estimated								
yield 0.00% due								
October 22,	January							
2031 <sup>(9)(11)(12)(18)(24)</sup>	24, 2017	10,000,000	4,030,013	1,700,000				
CLO subordinated								
notes, estimated								
yield 6.80% due								
October 22,					January			
2031 <sup>(9)(11)(12)(18)(24)</sup>	24, 2017	10,000,000	3,338,457	1,800,000				
Dryden 43 Senior								
Loan Fund								



CLO subordinated notes, estimated yield 18.97% due April 20, 2034 <sup>(9)(11)</sup> (12)(14)(18)	June 1, 2021	47,263,000	28,768,537	25,049,390
CLO subordinated notes, estimated yield 17.05% due April 20, 2034 <sup>(9)(11)</sup> (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 <sup>(9)(11)</sup> (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 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
CLO subordinated notes, estimated yield 29.46% due October 21, 2030 <sup>(9)(11)(12)(18)(24)</sup>	May 22, 2020	12,500,000	4,073,637	4,625,000
<b>Madison Park Funding XIX, Ltd.</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>Nassau 2019-I Ltd.</b>				
CLO subordinated notes, estimated yield 0.00% due April 15, 2031 <sup>(9)(11)</sup> (12)(18)	April 11, 2019	23,500,000	12,209,486	2,820,000



CLO subordinated notes, estimated yield 8.03% due January 22, 2028 <sup>(9)(11)(12)(18)(24)</sup>					May 11, 2016	5,422,500	3,071,305	2,711,250
<b>Octagon Investment Partners 49, Ltd.</b>								
CLO subordinated notes, estimated yield 8.48% due January 18, 2033 <sup>(9)(11)(12)(13)(14)</sup> (18)(26)	December 11, 2020	28,875,000	20,545,372	14,019,240				
CLO subordinated notes, estimated yield 8.89% due January 18, 2033 <sup>(9)(11)(12)(13)(14)</sup> (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 <sup>(9)(11)</sup> (12)(18)	August 1, 2018	45,500,000	23,465,553	5,460,000	August 1, 2018	45,500,000	20,081,684	455,000
<b>PPM CLO 4, Ltd.</b>								
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				
<b>Telos CLO 2013-3, Ltd.</b>								
CLO subordinated notes, estimated yield 0.00% due July 17, 2026 <sup>(9)(11)</sup> (12)(18)(24)	January 25, 2013	14,447,790	6,207,075	1,445	January 25, 2013	14,447,790	6,207,075	1,445
<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	5,228,852	353,246	
<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	285,000	April 11, 2014 28,500,000 18,179,226 2,850
<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	—	
<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	2,366,366	209,689	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 <sup>(9)(11)(12)(18)(24)(32)</sup>					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 <sup>(9)(11)(12)(18)</sup>					December 7, 2020 5,000,000 1,779,262 1,150,000

(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 2023

COMPANY/INVESTMENT <sup>(1)</sup> <sup>(20)</sup>	PRINCIPAL				% OF NET ASSETS	PRINCIPAL				% OF NET ASSETS
	ACQUISITION DATE	AMOUNT/ SHARES	COST	FAIR VALUE <sup>(2)</sup>		ACQUISITION DATE	AMOUNT/ SHARES	COST	FAIR VALUE <sup>(2)</sup>	
<b>Collateralized Loan</b>										
<b>Obligation – Equity</b>										
<b>Investments –</b>										
<b>(continued)</b>										
<b>Structured Finance –</b>										
<b>(continued)</b>										
<b>Venture XX, Ltd.</b>										
CLO subordinated notes, estimated yield 0.00% due April 15, 2027 <sup>(9)(11)</sup>	July 27,									
(12)(18)(24)	2018	\$ 3,000,000	\$	332,779	\$	—				
<b>Venture 35 CLO, Limited</b>										
CLO subordinated notes, estimated yield 45.87% due October 22, 2031 <sup>(9)</sup>	December 7,									
(11)(12)(18)	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)</sup>										
(12)(13)(18)(24)(26)	May 8, 2020	5,150,000	3,134,158	2,681,540						
CLO subordinated notes, estimated yield 18.61% due April 15, 2033 <sup>(9)(11)</sup>										
(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 <sup>(9)(11)</sup>	May 12,									
(12)(18)(24)	2017	9,250,000	1,173,126	74,000						



CLO subordinated notes, estimated yield 0.00% due July 18, 2026 <sup>(9)(11)</sup> (12)(18)(24)(32)					May 12, 2017	9,250,000	1,127,401	31,450		
Zais CLO 6, Ltd. CLO subordinated notes, estimated yield 0.00% due July 15, 2029 <sup>(9)(11)</sup> (12)(13)(18)(26)										
May 3, 2017	10,500,000	5,270,298	683,369		May 3, 2017	10,500,000	5,072,411	80,925		
Total Structured Finance Total Collateralized Loan Obligation – Equity Investments										
		\$196,604,096	\$ 98,916,027	71.3%			\$160,610,925	\$ 82,157,950	5	
Common Stock IT Consulting UniTek Global Services, Inc.										
January 13, common equity <sup>(7)(27)</sup>	2015	1,244,188	\$ 684,960	\$ —	January 13, 2015	1,244,188	\$ 684,960	\$ —		
Total IT Consulting Total Common Stock										
		\$ 684,960	\$ —	0.0%			\$ 684,960	\$ —		
Preferred Stock IT Consulting UniTek Global Services, Inc.										
Series B Preferred Stock <sup>(3)(17)(21)(27)</sup>	June 26, 2019	16,430,149	\$ 9,002,159	\$ —	June 26, 2019	18,763,056	\$ 9,002,159	\$ —		
Series B Senior Preferred Stock <sup>(3)</sup> (17)(22)(27)	June 26, 2019	8,334,223	4,535,443	500,053	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	4,694,835	2,614,260	3,849,765	June 26, 2019	5,706,602	2,614,260	5,054,337		
Total IT Consulting										
		\$ 16,151,862	\$ 4,349,818	3.1%			\$ 16,151,862	\$ 5,276,092		
Total Preferred Equity										
		\$ 16,151,862	\$ 4,349,818	3.1%						
Total Preferred Stock							\$ 16,151,862	\$ 5,276,092		







## SCHEDULE OF INVESTMENTS — (continued)

December 31, 2023

- (7) Common stock investments were non-income producing as of December 31, 2022 December 31, 2023.
- (8) Aggregate gross unrealized appreciation for U.S. federal income tax purposes is \$1,358,009; \$3,673,000; aggregate gross unrealized depreciation for U.S. federal income tax purposes is \$223,179,960, \$216,704,716. Net unrealized depreciation is \$221,821,951 \$213,031,716 based upon an estimated tax cost basis of \$536,518,866 \$479,922,143 as of December 31, 2022 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) The principal balance outstanding for this debt investment, in whole or in part, is indexed Totals may not sum due to 180-day LIBOR. 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, 2022 December 31, 2023, the Company held qualifying assets that represented 70.1% 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 30 180-day LIBOR. SOFR.
- (16) The principal balance outstanding for this debt investment, amended stated maturity date is June 8, 2023, however, a springing maturity date of September 9, 2021 is in whole or in part, is indexed to 90-day LIBOR. effect as of December 31, 2023.
- (17) As of December 31, 2022 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 year twelve months ended December 31, 2022 December 31, 2023. The aggregate fair value of these investments was approximately \$4.5 \$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 fund's 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 accounts fund as of December 31, 2022 December 31, 2023.
- (20) The fair value of the investment was determined using significant unobservable inputs. See "Note 4. 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 30-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.



[Table of Contents](#)
**OXFORD SQUARE CAPITAL CORP.**
**SCHEDULE OF INVESTMENTS — (continued)**
**December 31, 2022 2023**

- (27) These investments are deemed to be an "affiliate," as defined in the **Investment Company Act of 1940 (the "1940 Act")**, **Act**. In general, under the 1940 Act, we would be presumed to "control" a portfolio company if we owned **more than 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 December 31, 2023** along with transactions during the **year twelve months ended December 31, 2022 December 31, 2023** in these affiliated investments are as follows:

Name of Issuer	Title of Issue	Amount of Interest or Dividends Credited to		Fair Value as of December 31, 2021	Gross Additions <sup>(b)</sup>	Gross Reductions <sup>(c)</sup>	Net Change in Unrealized Appreciation	Fair Value as of December 31, 2022
		Income <sup>(a)</sup>						

AFFILIATED								
INVESTMENT:								
UniTek Global	Common							
Systems, Inc	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
Total Control								
Investment		—	—	—	—	—	—	—
TOTAL CONTROL								
AND								
AFFILIATED								
INVESTMENTS		\$ —	\$ 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

Name of Issuer	Title of Issue	Amount of Interest or Dividends Credited to		Fair Value as of December 31,		Gross Additions <sup>(b)</sup>	Gross Reductions <sup>(c)</sup>	Net Change in Unrealized Appreciation/ (Depreciation)	Fair Value as of December 31,
		Income <sup>(a)</sup>	2022	2022	2023				
AFFILIATED									
INVESTMENTS:									
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		
Total Control									
Investments		—	—	—	—	—	—		
TOTAL CONTROL									
AND									
AFFILIATED									
INVESTMENTS		\$ —	\$ 4,349,818	\$ —	\$ —	\$ 926,274	\$ 5,276,092		

- (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 year ended December 31, 2022, a total of approximately \$4.3 million of 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 PIK 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"). the Replacement Revolver. On December 15, 2022 March 15, 2023, the maturity date of the Replacement Revolver was amended from December 16, 2022 March 15, 2023 to January 31, 2023 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, 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 December 31, 2023.

- (29) Note bears interest at 5.50%, 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%. 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 As of December 31, 2023, this debt investment in whole or in part, is indexed to 30 was on non-day -accrual SOFR 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 amended stated maturity date CLO equity investment was optionally redeemed. Expected value of residual distributions, once received, is June 8, 2023, however, a springing maturity date anticipated to be recognized as return of September 9, 2021 is capital, pending any remaining amortized cost, and/or realized gain for any amounts received in effect as excess of December 31, 2022 such amortized cost.

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### STATEMENTS OF OPERATIONS (unaudited)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
<b>INVESTMENT INCOME</b>						
From non-affiliated/non-control investments:						
Interest income – debt investments	\$ 8,453,240	\$ 6,805,339	\$ 25,546,580	\$ 17,730,026	\$ 6,421,047	\$ 8,294,160
Income from securitization vehicles and investments	4,106,071	4,402,463	12,814,866	12,906,127	3,932,374	4,379,495
Other income	486,043	190,330	1,138,686	567,400	324,003	268,143
Total investment income from non-affiliated/non-control investments	13,045,354	11,398,132	39,500,132	31,203,553	10,677,424	12,941,798
Total investment income	13,045,354	11,398,132	39,500,132	31,203,553	10,677,424	12,941,798
<b>EXPENSES</b>						
Interest expense	2,530,321	3,090,535	8,703,638	9,263,853	1,960,982	3,085,366
Base Fee	1,183,941	1,408,729	3,601,275	4,580,413	987,816	1,159,646
Professional fees	478,833	417,390	1,096,641	1,072,843	311,747	335,880
Compensation expense	205,348	234,517	662,472	689,350	206,898	266,965
General and administrative <sup>(A)</sup>	458,328	438,943	1,261,650	1,195,174	346,625	373,173
Excise tax <sup>(1)</sup>	573,686	252,172	873,686	252,172		
Total expenses before incentive fees	5,430,457	5,842,286	16,199,362	17,053,805	3,814,068	5,221,030
Net Investment Income Incentive Fees	1,176,079	—	3,705,387	—	—	1,229,984
Capital gains incentive fees					—	—
Total incentive fees					—	1,229,984
Total expenses	6,606,536	5,842,286	19,904,749	17,053,805	3,814,068	6,451,014



Net investment income	6,438,818	5,555,846	19,595,383	14,149,748		
Net investment income before taxes					6,863,356	6,490,784
Excise tax					325,800	—
Net investment income after taxes					6,537,556	6,490,784
<b>NET UNREALIZED</b>						
<b>APPRECIATION/(DEPRECIATION)</b>						
<b>AND REALIZED GAINS/(LOSSES)</b>						
<b>ON INVESTMENT</b>						
<b>TRANSACTIONS</b>						
Net change in unrealized appreciation/(depreciation) on investments:						
Non-Affiliate/non-control investments	14,613,632	(17,373,881)	18,571,627	(77,909,718)	145,111	(942,790)
Affiliated investments	(712,830)	615,332	3,359,805	1,418,432	(356,117)	720,489
Total net change in unrealized appreciation/(depreciation) on investments	13,900,802	(16,758,549)	21,931,432	(76,491,286)		
Net realized (losses)/gains:						
Total net change in unrealized depreciation on investments					(211,006)	(222,301)
Net realized losses:						
Non-affiliated/non-control investments	(13,480,114)	55,787	(16,811,422)	(437,978)	(8,094,940)	—
Extinguishment of debt	(166,670)	—	(166,670)	—		
Total net realized (losses)/gains	(13,646,784)	55,787	(16,978,092)	(437,978)		
Net increase/(decrease) in net assets resulting from operations	\$ 6,692,836	\$ (11,146,916)	\$ 24,548,723	\$ (62,779,516)		
Total net realized losses					(8,094,940)	—
Net (decrease)/increase in net assets resulting from operations					\$ (1,768,390)	\$ 6,268,483
Net increase in net assets resulting from net investment income per common share (Basic and Diluted):	\$ 0.11	\$ 0.11	\$ 0.37	\$ 0.28	\$ 0.11	\$ 0.13
Net increase/(decrease) in net assets resulting from operations per common share (Basic and Diluted):	\$ 0.12	\$ (0.22)	\$ 0.47	\$ (1.26)		
Net (decrease)/increase in net assets resulting from operations per common share (Basic and Diluted):					\$ (0.03)	\$ 0.13
Weighted average shares of common stock outstanding (Basic and Diluted):	56,764,866	49,773,782	52,413,834	49,737,216	59,639,285	49,858,366
Distributions per share	\$ 0.225	\$ 0.105	\$ 0.435	\$ 0.315	\$ 0.105	\$ 0.105

(1) Change in prior period was made to conform to the current period presentation.



[Table of Contents](#)

OXFORD SQUARE CAPITAL CORP.

STATEMENTS OF CHANGES IN NET ASSETS

(unaudited)

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Increase/(decrease) in net assets from operations:						
(Decrease)/increase in net assets from operations:						
Net investment income	\$ 6,438,818	\$ 5,555,846	\$ 19,595,383	\$ 14,149,748	\$ 6,537,556	\$ 6,490,784
Net change in unrealized appreciation/(depreciation) on investments	13,900,802	(16,758,549)	21,931,432	(76,491,286)		
Net realized (losses)/gains	(13,646,784)	55,787	(16,978,092)	(437,978)		
Net increase/(decrease) in net assets resulting from operations	6,692,836	(11,146,916)	24,548,723	(62,779,516)		
Net change in unrealized depreciation on investments					(211,006)	(222,301)
Net realized losses					(8,094,940)	—
Net (decrease)/increase in net assets resulting from operations					(1,768,390)	6,268,483
Distributions to stockholders						
Distributions from net investment income	(12,897,151)	(7,209,939)	(23,372,086)	(15,666,979)	(6,263,108)	(5,235,080)
Tax return of capital distributions	—	1,983,750	—	—		
Total distributions to stockholders	(12,897,151)	(5,226,189)	(23,372,086)	(15,666,979)	(6,263,108)	(5,235,080)
Capital share transactions:						
Issuance of common stock (net of offering costs and underwriting fees of \$160,193, \$0, \$1,252,922, and \$0, respectively)	4,298,407	—	20,366,782	—		
Issuance of common stock (net of underwriting fees and offering costs of \$9,493 and \$-, respectively)					923,460	—
Reinvestment of distributions	388,810	128,418	679,680	399,185	139,236	133,783



Net increase in net assets from capital share transactions	4,687,217	128,418	21,046,462	399,185	1,062,696	133,783
Total (decrease)/increase in net assets	(1,517,098)	(16,244,687)	22,223,099	(78,047,310)	(6,968,802)	1,167,186
Net assets at beginning of period	162,412,159	182,792,502	138,671,962	244,595,125		
Net assets at end of period	\$160,895,061	\$166,547,815	\$160,895,061	\$166,547,815		
Net assets at beginning of year					151,308,625	138,671,962
Net assets at end of year					\$144,339,823	\$139,839,148
Capital share activity:						
Shares issued	1,427,423	—	7,878,695	—	324,122	—
Shares issued from reinvestment of distributions	135,272	38,914	234,955	110,215	47,743	41,158
Net increase in capital share activity	1,562,695	38,914	8,113,650	110,215	371,865	41,158

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### STATEMENTS OF CASH FLOWS

(unaudited)

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
CASH FLOWS FROM OPERATING ACTIVITIES				
Net increase/(decrease) in net assets resulting from operations	\$ 24,548,723	\$ (62,779,516)		
Adjustments to reconcile net increase/(decrease) in net assets resulting from operations to net cash provided by operating activities:				
Net (decrease)/increase in net assets resulting from operations			\$ (1,768,390)	\$ 6,268,483
Adjustments to reconcile net (decrease)/increase in net assets resulting from operations to net cash provided by operating activities:				
Accretion of discounts on investments	(874,209)	(666,603)	(302,275)	(340,019)
Accretion of discount on notes payable and deferred debt issuance costs	832,068	705,615	154,252	232,621



Non-cash interest income due to PIK			(13,572)	—
Purchases of investments	(8,195,000)	(78,157,783)	(8,101,869)	(3,525,000)
Repayments of principal	14,969,577	49,799,782	17,914,419	318,680
Proceeds from the sale of investments	15,875,309	14,580,000	1,390,625	—
Net realized losses on investments	16,811,422	437,978	8,094,940	—
Reductions to CLO equity cost value	12,524,458	18,080,070	838,607	3,009,028
Net change in unrealized (appreciation)/depreciation on investments	(21,931,432)	76,491,286		
(Increase)/decrease in interest and distributions receivable	(543,767)	502,774		
Increase in other assets	(246,083)	(239,514)		
Decrease in accrued interest payable	(9,027)	—		
Increase/(decrease) in Base Fee and Net Investment Income Incentive Fee payable	1,036,445	(279,983)		
Net change in unrealized depreciation on investments			211,006	222,301
Decrease/(increase) in interest and distributions receivable			1,361,248	(555,237)
Decrease in other assets			150,260	49,265
(Decrease)/increase in Base Fee and Net Investment Income Incentive Fee payable			(24,573)	1,066,057
Increase in accrued expenses	918,885	297,669	389,303	99,121
Net cash provided by operating activities	55,717,369	18,771,775	20,293,981	6,845,300
CASH FLOWS FROM FINANCING ACTIVITIES				
Distributions paid (net of stock issued under distribution reinvestment plan of \$679,680 and \$399,185, respectively)	(22,692,406)	(15,267,794)		
Principal repayment of 6.50% Unsecured Notes	(50,000,000)	—		
Due to custodian	—	1,848,201		
Distributions paid (net of stock issued under distribution reinvestment plan of \$139,236 and \$133,783, respectively, and distributions payable of \$72,568 and \$-, respectively)			(6,051,304)	(5,101,297)
Proceeds from issuance of common stock	21,619,704	—	932,953	—
Underwriting fees and offering costs for the issuance of common stock	(1,252,922)	—	(9,493)	—
Net cash used in financing activities	(52,325,624)	(13,419,593)	(5,127,844)	(5,101,297)



Net increase in cash and cash equivalents	3,391,745	5,352,182	15,166,137	1,744,003
Cash and cash equivalents, beginning of period	9,019,164	9,015,700		
Cash and cash equivalents, end of period	<u>\$ 12,410,909</u>	<u>\$ 14,367,882</u>		
Cash and cash equivalents, beginning of year			5,740,553	9,019,164
Cash and cash equivalents, end of year			<u>\$20,906,690</u>	<u>\$10,763,167</u>
NON-CASH FINANCING ACTIVITIES				
Value of shares issued in connection with distribution reinvestment plan	\$ 679,680	\$ 399,185	\$ 139,236	\$ 133,783
Distributions payable			\$ 72,568	\$ —
SUPPLEMENTAL DISCLOSURES				
Cash paid for interest	\$ 8,047,268	\$ 8,558,240	\$ 1,806,730	\$ 2,852,747
Cash paid for taxes	\$ 673,686	\$ 252,172		
Securities purchased not settled			\$ 3,997,500	\$ 4,657,500

See Accompanying Notes. The accompanying notes are an integral part of these financial statements.

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

September 30, 2023 March 31, 2024

(unaudited)

#### NOTE 1. UNAUDITED INTERIM FINANCIAL STATEMENTS

Interim financial statements of Oxford Square Capital Corp. ("OXSQ" or the "Company"), are prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information and pursuant to the requirements for reporting on Form 10-Q and Articles 6, 10 and 12 of Regulation S-X. Accordingly, certain disclosures accompanying annual financial statements prepared in accordance with GAAP are omitted. In the opinion of management, the unaudited financial results included herein contain all adjustments, consisting solely of normal accruals, considered necessary for the fair statement of the results for the interim period included herein. The current period's results of operations are not necessarily indicative of results that may be achieved for the year. The interim financial statements and notes thereto should be read in conjunction with the financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, as filed with the Securities and Exchange Commission ("SEC") on March 19, 2024.

#### NOTE 2. ORGANIZATION

OXSQ The Company was incorporated under the General Corporation Laws of the State of Maryland ("MGCL") on July 21, 2003 and is a closed-end investment company. OXSQ The Company 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 the Company 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, to a lesser extent, collateralized loan obligation ("CLO") structured finance investments that own corporate debt securities.



OXSQ's The Company'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 the Company'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 the Company 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."

### NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### BASIS OF PRESENTATION

The Company follows the accounting and reporting guidance in Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946, *Financial Services — Investment Companies*. Companies.

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.

20

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

September 30, 2023 March 31, 2024

(unaudited)

### NOTE 3. 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.

#### 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.

#### 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 value its investments for which market quotations are not readily available at fair value each individual investment as determined in good faith by the Board on at least 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 **September 30, 2023**, **March 31, 2024** and **December 31, 2022**, **December 31, 2023**.

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 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.

[Table of Contents](#)

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**, **March 31, 2024**

(unaudited)

**NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***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 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.

22

[Table of Contents](#)

#### **OXFORD SQUARE CAPITAL CORP.**

#### **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**

**(unaudited)**

#### **NOTE 3. 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

22

[Table of Contents](#)

#### **OXFORD SQUARE CAPITAL CORP.**



## NOTES TO FINANCIAL STATEMENTS

March 31, 2024

(unaudited)

### NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

firm will prepare valuations for each of OXSQ's the Company'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 4. Fair Value" in the notes to the Company's financial statements for more information on investment valuation and the Company's 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 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 September 30, 2023 and December 31, 2022 March 31, 2024, the Company had three six debt investments in three portfolio companies that were on non-accrual status. As of December 31, 2023, the Company had four debt investments in two portfolio companies 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



**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**

**(unaudited)**

**NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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 on non-accrual status. When a PIK investment is placed on non-accrual status, the accrued, uncanceled interest or dividends would be reversed from the related receivable through interest or dividend income, respectively.

23

[Table of Contents](#)

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2024**

**(unaudited)**

**NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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 three **and nine** months ended **September 30, 2023 and 2022**, **March 31, 2024**, approximately \$14,000 of PIK was recognized as interest income. **For the three months ended March 31, 2023**, no PIK interest was recognized as interest income. For the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022**, **no 2023**, the Company did not recognize PIK dividends dividend income on the Company's its preferred stock investments were recognized as dividend income. 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.

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 three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022**, **2023**, no income was recognized related to CLO warehouse facilities. As of **September 30, 2023** **March 31, 2024** and December 31, **2022**, **2023**, 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.

#### **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 three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, as the Company deemed them to be uncollectible.

24

[Table of Contents](#)

### **OXFORD SQUARE CAPITAL CORP.**

#### **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**

**(unaudited)**

#### **NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

##### **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.

24

[Table of Contents](#)

### **OXFORD SQUARE CAPITAL CORP.**

#### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2024**

**(unaudited)**

#### **NOTE 3. 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.

## 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.

## 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 the Company** is required to distribute at least 90% of its investment company taxable income annually, meet 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

25

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

September 30, 2023

(unaudited)

#### NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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.

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 **September 30, 2023** **March 31, 2024**, 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 2023 or 2024 tax returns. The Company identifies its major tax jurisdictions as **U.S.** Federal and 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

25

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.



## NOTES TO FINANCIAL STATEMENTS

March 31, 2024

(unaudited)

### NOTE 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

have any unrecognized tax benefits as of the periods presented herein. The Company files tax returns with the Internal Revenue Service and the state of Connecticut. Generally, each of the tax years in the four-year period ended September 30, 2023 March 31, 2024 remains subject to examination by taxing authorities.

For tax purposes, the cost basis of the portfolio investments as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, was approximately \$490,055,958 \$464,982,380 and \$536,518,866, \$479,922,143, respectively.

### 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.

### NOTE 4. FAIR VALUE

The Company's assets measured at fair value by investment type on a recurring basis as of September 30, 2023 March 31, 2024 were as follows:

Assets (\$ in millions)	Fair Value Measurements at Reporting Date Using				Fair Value Measurements at Reporting Date Using			
	Quoted Prices in Active Markets				Quoted Prices in Active Markets			
	Significant for Identical Assets		Significant Other Observable Inputs		Significant for Identical Assets		Significant Other Observable Inputs	
	Markets		Markets		Markets		Markets	
	Assets (Level 1)	Inputs (Level 2)	Inputs (Level 3)	Total	Assets (Level 1)	Inputs (Level 2)	Inputs (Level 3)	Total
Senior Secured Notes	\$ —	\$ —	\$ 193.7	\$ 193.7	\$ —	\$ —	\$ 161.7	\$ 161.7
CLO Equity	—	—	84.1	84.1	—	—	84.2	84.2
Equity and Other Investments	—	—	7.7	7.7	—	—	4.9	4.9
Total Investments at fair value (1)	—	—	285.5	285.5	—	—	250.9	250.9
Cash equivalents	11.5	—	—	11.5	20.2	—	—	20.2
Total assets at fair value	\$ 11.5	\$ —	\$ 285.5	\$ 297.0	\$ 20.2	\$ —	\$ 250.9	\$ 271.1

(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, 2023 were as follows:

Assets (\$ in millions)	Fair Value Measurements at Reporting Date Using			
	Quoted Prices	Significant		Total <sup>(1)</sup>
	in Active	Other	Significant	
	Markets for	Observable	Unobservable	
	Identical Assets	Inputs	Inputs	
	(Level 1)	(Level 2)	(Level 3)	
Senior Secured Notes	\$ —	\$ —	\$ 179.5	\$ 179.5
CLO Equity	—	—	82.2	82.2
Equity and Other Investments	—	—	5.3	5.3
Total Investments at fair value <sup>(1)</sup>	—	—	266.9	266.9
Cash equivalents	4.6	—	—	4.6
Total assets at fair value	\$ 4.6	\$ —	\$ 266.9	\$ 271.5

(1) Totals may not sum due to rounding.

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

September 30, 2023 March 31, 2024

(unaudited)

#### NOTE 4. FAIR VALUE (cont.)

The Company's assets measured at fair value by investment type on a recurring basis as of December 31, 2022 were as follows:

Assets (\$ in millions)	Fair Value Measurements at Reporting Date Using			
	Quoted Prices	Significant		Total
	in Active	Other	Significant	
	Markets for	Observable	Unobservable	
	Identical Assets	Inputs	Inputs	
	(Level 1)	(Level 2)	(Level 3)	
Senior Secured Notes	\$ —	\$ —	\$ 211.4	\$ 211.4
CLO Equity	—	—	98.9	98.9
Equity and Other Investments	—	—	4.3	4.3
Total Investments at fair value <sup>(1)</sup>	—	—	314.7	314.7
Cash equivalents	7.3	—	—	7.3
Total assets at fair value <sup>(1)</sup>	\$ 7.3	\$ —	\$ 314.7	\$ 322.0

(1) Totals may not sum due to rounding.

#### Significant Unobservable Inputs for Level 3 Investments

The following tables provide quantitative information about the Company's Level 3 fair value measurements as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, 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



	Quantitative Information about Level 3 Fair Value					Quantitative Information about Level 3 Fair Value Measurements				
	Measurements				Impact to Fair Value from an Increase in Input <sup>(7)</sup>					Impact to Fair Value from an Increase in Input <sup>(2)</sup>
	Fair Value as of September 30, 2023					Fair Value as of March 31, 2024 <sup>(11)</sup>				
	Valuation Techniques/ Methodologies	Unobservable Input	Range/Weighted Average <sup>(1)</sup>			Techniques/ Methodologies	Unobservable Input	Range/Weighted Average <sup>(1)</sup>		
Assets (\$ in millions)	30, 2023	Valuation Techniques/ Methodologies	Unobservable Input	Range/Weighted Average <sup>(1)</sup>	Increase in Input <sup>(7)</sup>	March 31, 2024 <sup>(11)</sup>	Techniques/ Methodologies	Unobservable Input	Range/Weighted Average <sup>(1)</sup>	Increase in Input <sup>(2)</sup>
Senior Secured Notes	\$ 148.1	Market quotes	NBIB <sup>(3)</sup>	25.3% – 98.0%/71.2%	NA		Market quotes	NBIB <sup>(3)</sup>	3.0% – 100.3%/67.6%	NA
	45.1	Recent transactions	Actual trade/payoff <sup>(4)</sup>	61.0% – 99.4%/86.6%	NA		Recent transactions	Actual trade/payoff <sup>(4)</sup>	0.5%/ncm <sup>(5)</sup>	NA
	0.5	Liquidation Net Asset Value	NBIB <sup>(3)</sup>	0.0% – 19.9%/1.6%	NA		Liquidation Net Asset Value	NBIB <sup>(3)</sup>	0.0% – 19.9%/1.6%	NA
CLO equity	81.8	Market quotes	NBIB <sup>(3)</sup>	0.0% – 61.0%/33.0%	NA		Market quotes	NBIB <sup>(3)</sup>	0.0% – 61.7%/28.0%	NA
	1.4	Yield Analysis	Yield	12.6%/ncm <sup>(5)</sup>	Decrease		Discounted cash flow <sup>(6)</sup>	Discount rate <sup>(7)</sup>	16.8% – 27.9%/20.2%	Decrease
	0.9	Discounted cash flow <sup>(6)</sup>	Discount rate <sup>(7)</sup>	24.2% – 30.1%/24.9%	Decrease		Liquidation Net Asset Value <sup>(10)</sup>	NBIB <sup>(3)</sup>	0.0% – 0.5%/0.2%	NA
	0.0	Liquidation Net Asset Value <sup>(10)</sup>	NBIB <sup>(3)</sup>	0.0% – 0.4%/0.2%	NA					
Equity/Other Investments	7.7	LTM Enterprise value <sup>(8)</sup>	EBITDA <sup>(9)</sup>	\$46.9 million/ncm <sup>(5)</sup>	Increase		Enterprise value <sup>(8)</sup>	LTM EBITDA <sup>(9)</sup>	\$37.4 million/ncm <sup>(5)</sup>	Increase
		Market multiples <sup>(9)</sup>		7.3x – 8.3x/7.8x	Increase		Market multiples <sup>(9)</sup>		7.8x – 8.8x/8.3x	Increase
Total Fair Value for Level 3 Investments	\$ 285.5					\$ 250.9				

27



Multiples/EBITDA multiples 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.

27

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

March 31, 2024

(unaudited)

#### NOTE 4. 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.
- (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.

Quantitative Information about Level	Impact to
3 Fair Value Measurements	Fair Value
	from an



Assets (\$ in millions)	Fair Value as of December 31, 2023				Increase in Input <sup>(2)</sup>
	Valuation Techniques/ Methodologies		Unobservable Input	Range/Weighted Average <sup>(1)</sup>	
Senior Secured					
Notes	\$ 179.0	Market quotes	NBIB <sup>(3)</sup>	10.0% – 99.8%/68.9%	NA
		Liquidation Net Asset			
	0.5	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
		Liquidation Net Asset			
	0.0	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	\$ 266.9				

- (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 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.

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

March 31, 2024

(unaudited)

#### NOTE 4. FAIR VALUE (cont.)

- (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.

[Table of Contents](#)

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**

**(unaudited)**

**NOTE 4. FAIR VALUE (cont.)**

Quantitative Information about Level 3 Fair Value Measurements					
Assets (\$ in millions)	Fair Value			Impact to	
	as of			Fair Value	
	December			from an	
	31,	Valuation Techniques/ Methodologies	Unobservable Input	Range/Weighted Average <sup>(7)</sup>	Increase in Input <sup>(7)</sup>
Senior Secured	2022				
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
CLO Equity	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
	0.1	Liquidation net asset value <sup>(10)</sup>	NBIB <sup>(3)</sup>	0.0% – 0.8%/0.5%	NA



Equity/Other					
Investments	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			

- (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.
- (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.

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**

**(unaudited)**

**NOTE 4. FAIR VALUE (cont.)**



- (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.

#### 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 September 30, 2023 March 31, 2024, and the level of each financial liability within the fair value hierarchy:

(\$ in millions)	Carrying	Fair				Carrying	Fair	Level		
	Value <sup>(1)</sup>	Value <sup>(2)</sup>	Level 1	Level 2	Level 3	Value <sup>(1)</sup>	Value <sup>(2)</sup>	1	Level 2	3
6.50%										
Unsecured										
Notes	\$ 14.3	\$ 14.4	\$ —	\$ 14.4	\$ —					
6.25%										
Unsecured										
Notes	44.2	42.5	—	42.5	—	44.3	43.7	—	43.7	—
5.50%										
Unsecured										
Notes	78.6	71.0	—	71.0	—	78.8	73.5	—	73.5	—
Total <sup>(3)</sup>	\$ 137.2	\$ 127.9	\$ —	\$ 127.9	\$ —	\$ 123.1	\$ 117.1	\$ —	\$ 117.1	\$ —

- (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 \$36,000 as of September 30, 2023. Unamortized deferred debt issuance costs associated with the 6.25% Unsecured Notes totaled approximately \$602,000 \$0.5 million as of September 30, 2023 March 31, 2024. Unamortized deferred debt issuance costs associated with the 5.50% Unsecured Notes totaled approximately \$1.9 \$1.7 million as of September 30, 2023 March 31, 2024.

29

[Table of Contents](#)

#### OXFORD SQUARE CAPITAL CORP.

#### NOTES TO FINANCIAL STATEMENTS

March 31, 2024

(unaudited)

#### NOTE 4. FAIR VALUE (cont.)

- (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 "OXSQL", "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 December 31, 2023 and the level of each financial liability within the fair value hierarchy:

(\$ in millions)	Carrying	Fair				Carrying	Fair	Level		
	Value <sup>(1)</sup>	Value <sup>(2)</sup>	Level 1	Level 2	3	Value <sup>(1)</sup>	Value <sup>(2)</sup>	1	Level 2	3



6.50% Unsecured Notes	\$ 64.0	\$ 63.4	\$ —	\$ 63.4	\$ —						
6.25% Unsecured Notes	44.0	42.6	—	42.6	—	\$ 44.2	\$ 42.9	\$ —	\$ 42.9	\$ —	
5.50% Unsecured Notes	78.3	70.0	—	70.0	—	78.7	72.5	—	72.5	—	
Total	\$ 186.3	\$ 176.0	\$ —	\$ 176.0	\$ —						
Total <sup>(3)</sup>						\$ 123.0	\$ 115.4	\$ —	\$ 115.4	\$ —	

- (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 \$0.5 million as of December 31, 2022 December 31, 2023. Unamortized deferred debt issuance costs associated with the 5.50% Unsecured Notes totaled approximately \$2.2 \$1.8 million as of December 31, 2022 December 31, 2023.
- (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 "OXSQL", "OXSQZ" and "OXSQG", respectively).
- (3) Totals may not sum due to rounding.

A reconciliation of the fair value of investments for the three months ended March 31, 2024, utilizing significant unobservable inputs, is as follows:

(\$ in millions)	Senior	Equity and		Total <sup>(2)</sup>
	Secured Notes	CLO Equity	Other Investments	
Balance at December 31, 2023	\$ 179.5	\$ 82.2	\$ 5.3	\$ 266.9
Net realized losses included in earnings	(7.9)	(0.2)	—	(8.1)
Net unrealized (depreciation)/appreciation included in earnings <sup>(2)</sup>	(2.2)	2.4	(0.4)	(0.2)
Accretion of discount	0.3	—	—	0.3
Purchases	10.0	2.1	—	12.1
Repayments and Sales <sup>(2)</sup>	(17.9)	(1.4)	—	(19.3)
Reductions to CLO Equity cost value <sup>(1)</sup>	—	(0.8)	—	(0.8)
Transfers in and/or (out) of level 3	—	—	—	—
Balance at March 31, 2024 <sup>(2)</sup>	\$ 161.7	\$ 84.2	\$ 4.9	\$ 250.9
Net change in unrealized depreciation on Level 3 investments still held as of March 31, 2024	\$ (9.9)	\$ 1.9	\$ (0.4)	\$ (8.4)

30

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

September 30, 2023 March 31, 2024

(unaudited)

#### NOTE 4. FAIR VALUE (cont.)

A reconciliation of the fair value of investments for the three months ended September 30, 2023, utilizing significant unobservable inputs, is as follows:

--	--	--	--	--	--	--	--	--	--	--	--



(\$ in millions)	Senior	CLO	Equity and	Total
	Secured Notes	Equity	Other Investments	
Balance at June 30, 2023	\$ 209.5	\$ 88.2	\$ 8.4	\$ 306.1
Net realized losses included in earnings	—	(13.5)	—	(13.5)
Net unrealized (depreciation)/appreciation				
included in earnings	(1.8)	16.4	(0.7)	13.9
Accretion of discount	0.2	—	—	0.2
Purchases	—	—	—	—
Repayments and Sales	(14.2)	(1.9)	—	(16.1)
Reductions to CLO Equity cost value <sup>(1)</sup>	—	(5.1)	—	(5.1)
Transfers in and/or (out) of level 3	—	—	—	—
Balance at September 30, 2023	<u>\$ 193.7</u>	<u>\$ 84.1</u>	<u>\$ 7.7</u>	<u>\$ 285.5</u>
Net change in unrealized (depreciation)/appreciation on Level 3 investments still held as of September 30, 2023	<u>\$ (2.8)</u>	<u>\$ 1.7</u>	<u>\$ (0.7)</u>	<u>\$ (1.8)</u>

- (1) Reduction to CLO equity cost value of approximately ~~\$5.1~~ \$0.8 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 ~~\$9.2~~ \$4.8 million, plus the amortization of cost of the Company's CLO fee notes of approximately ~~\$23,000~~ \$5,000, less the effective yield interest income recognized on the Company's CLO equity subordinated and income notes of approximately ~~\$4.1~~ \$3.9 million.
- (2) Totals may not sum due to rounding.

A reconciliation of the fair value of investments for the ~~nine months~~ year ended ~~September 30, 2023~~ December 31, 2023, utilizing significant unobservable inputs, is as follows:

(\$ in millions)	Senior				Equity and				Senior			
	Secured		CLO	Other		Secured		CLO				
	Notes	Equity		Investments	Total <sup>(2)</sup>	Notes	Equity	Equity	Total <sup>(2)</sup>			
Balance at December 31, 2022	\$211.4	\$ 98.9	\$	4.3	\$314.7	\$211.4	\$ 98.9	\$	4.3	\$314.7		
Net realized gains/(losses) included in earnings	0.3	(17.1)		—	(16.8)	0.3	(17.3)		—	(17.1)		
Net unrealized appreciation included in earnings	0.6	18.0		3.4	21.9							
Net unrealized (depreciation)/appreciation included in earnings						(13.0)	19.2		0.9	7.1		
Accretion of discount	0.9	—		—	0.9	1.1	—		—	1.1		
Purchases	8.2	—		—	8.2	8.2	3.5		—	11.7		
Repayments and Sales	(27.7)	(3.1)		—	(30.8)	(28.5)	(6.9)		—	(35.4)		
Reductions to CLO Equity cost value <sup>(1)</sup>	—	(12.5)		—	(12.5)	—	(15.3)		—	(15.3)		
Transfers in and/or (out) of level 3	—	—		—	—	—	—		—	—		
Balance at September 30, 2023 <sup>(2)</sup>	\$193.7	\$ 84.1	\$	7.7	\$285.5							



Net change in unrealized (depreciation)/appreciation on Level 3 investments still held as of September 30, 2023	\$ (0.3)	\$ (0.4)	\$ 3.4	\$ 2.7			
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 \$12.5 \$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 \$25.2 \$32.0 million, plus the amortization of cost of the Company's CLO fee notes of approximately \$103,000, \$123,000, less the effective yield interest income recognized on the Company's CLO equity subordinated and income notes of approximately \$12.8 million.
- (2) Totals may not sum due to rounding.

31

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

September 30, 2023

(unaudited)

#### NOTE 4. 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 Secured Notes	CLO Equity	Equity and Other 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)/appreciation on Level 3 investments still held as of December 31, 2022	\$ (61.1)	\$ (47.7)	\$ 3.6	\$ (105.2)

- (1) Reductions to CLO equity cost value of approximately \$20.4 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 \$37.3 million, 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 \$16.8 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 September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

(\$ in millions)	September 30, 2023		December 31, 2022		March 31, 2024		December 31, 2023	
	Investments		Investments		Investments		Investments	
	at		at		at		at	
	Fair Value	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio	Fair Value	Percentage of Total Portfolio
Senior								
Secured								
Notes	\$ 193.7	67.8%	\$ 211.4	67.2%	\$ 161.7	64.4%	\$ 179.5	67.2%
CLO Equity	84.1	29.5%	98.9	31.4%	84.2	33.6%	82.2	30.8%
Equity and Other								
Investments	7.7	2.7%	4.3	1.4%	4.9	2.0%	5.3	2.0%
Total <sup>(1)</sup>	\$ 285.5	100.0%	\$ 314.7	100.0%	\$ 250.9	100.0%	\$ 266.9	100.0%

(1) Totals may not sum due to rounding.

#### NOTE 5. CASH AND CASH EQUIVALENTS

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, cash and cash equivalents were as follows:

	September 30, 2023	December 31, 2022
Cash	\$ 953,509	\$ 1,673,650
Cash Equivalents	11,457,400	7,345,514
Total Cash and Cash Equivalents	\$ 12,410,909	\$ 9,019,164

For further details regarding the composition of cash and cash equivalents refer to "Note 3. Summary of Significant Accounting Policies."

32 31

[Table of Contents](#)

#### OXFORD SQUARE CAPITAL CORP.

#### NOTES TO FINANCIAL STATEMENTS

September 30, 2023 March 31, 2024

(unaudited)

	March 31, 2024	December 31, 2023
Cash	\$ 678,912	\$ 1,160,664
Cash Equivalents	20,227,778	4,579,889
Total Cash and Cash Equivalents	\$20,906,690	\$ 5,740,553

For further details regarding the composition of cash, cash equivalents and restricted cash refer to "Note 3. Summary of Significant Accounting Policies."

#### NOTE 6. 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 **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, the Company's asset coverage for borrowed amounts was 213% and **171%** **219%**, respectively.

The following are the Company's outstanding principal amounts, carrying values and fair values of the Company's borrowings as of **September 30, 2023** **March 31, 2024** and **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 "OXSQL") **December 31, 2023**. 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").

As of												
September 30, 2023							December 31, 2022					
(\$ in millions)	Principal Amount	Carrying Value <sup>(1)</sup>	Fair Value	Principal Amount	Carrying Value <sup>(1)</sup>	Fair Value	As of					
6.50% Unsecured Notes	\$ 14.4	\$ 14.3	\$ 14.4	\$ 64.4	\$ 64.0	\$ 63.4						
(\$ in millions)							March 31, 2024			December 31, 2023		
	Principal Amount	Carrying Value <sup>(1)</sup>	Fair Value	Principal Amount	Carrying Value <sup>(1)</sup>	Fair Value	Principal Amount	Carrying Value <sup>(1)</sup>	Fair Value	Principal Amount	Carrying Value <sup>(1)</sup>	Fair Value
5.50% Unsecured Notes	44.8	44.2	42.5	44.8	44.0	42.6	\$ 44.8	\$ 44.3	\$ 43.7	\$ 44.8	\$ 44.2	\$ 42.9
Total <sup>(2)</sup>	\$ 139.7	\$ 137.2	\$ 127.9	\$ 189.7	\$ 186.3	\$ 176.0	\$ 125.3	\$ 123.1	\$ 117.1	\$ 125.3	\$ 123.0	\$ 115.4



6.25% Unsecured Notes	699.9	58.8	758.6	2,099.6	174.4	2,274.0
5.50% Unsecured Notes	1,106.9	97.2	1,204.1	3,320.6	288.4	3,609.0
Total <sup>(1)</sup>	\$ 2,332.7	\$ 197.6	\$ 2,530.3	\$ 8,038.2	\$ 665.4	\$ 8,703.6

(1) Totals may not sum due to rounding.

33 32

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

September 30, 2023 March 31, 2024

(unaudited)

#### NOTE 6. BORROWINGS (cont.)

(\$ in thousands)	Three Months Ended September 30, 2022			Nine Months Ended September 30, 2022		
	Amortization of			Amortization of		
	Stated Interest	Deferred Debt Issuance		Stated Interest	Deferred Debt Issuance	
	Expense	Costs	Total <sup>(1)</sup>	Expense	Costs	Total <sup>(1)</sup>
6.50% Unsecured Notes	\$ 1,046.0	\$ 81.8	\$ 1,127.9	\$ 3,138.0	\$ 242.9	\$ 3,380.9
6.25% Unsecured Notes	699.9	58.8	758.6	2,099.6	174.4	2,274.0
5.50% Unsecured Notes	1,106.9	97.2	1,204.1	3,320.6	288.4	3,609.0
Total <sup>(1)</sup>	\$ 2,852.7	\$ 237.8	\$ 3,090.5	\$ 8,558.2	\$ 705.6	\$ 9,263.9

(\$ in thousands)	Three Months Ended March 31, 2024		
	Amortization of		
	Deferred Debt		
	Stated Interest	Issuance	
	Expense	Costs	Total
6.25% Unsecured Notes	\$ 699.9	\$ 58.1	\$ 758.0
5.50% Unsecured Notes	1,106.9	96.1	1,203.0
Total	\$ 1,806.8	\$ 154.2	\$ 1,961.0

(\$ in thousands)	Three Months Ended March 31, 2023		
	Amortization of		
	Deferred Debt		
	Stated Interest	Issuance	
	Expense	Costs	Total <sup>(1)</sup>
6.50% Unsecured Notes	\$ 1,046.0	\$ 80.1	\$ 1,126.1
6.25% Unsecured Notes	699.9	57.5	757.3
5.50% Unsecured Notes	1,106.9	95.1	1,201.9
Total <sup>(1)</sup>	\$ 2,852.7	\$ 232.6	\$ 3,085.4

(1) Totals may not sum due to rounding.

**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, September 30, September 30, and December 30 of each year.

On July 24, 2023, the Company repaid \$40.0 million in aggregate principal amount of the 6.50% Unsecured Notes. On September 11, 2023, the Company repaid \$10.0 million in aggregate principal amount of the 6.50% Unsecured Notes. For more information, see "Note 17. Subsequent Events."

The aggregate accrued interest payable on the 6.50% Unsecured Notes as of September 30, 2023 was approximately \$3,000. As of September 30, 2023, the Company had unamortized deferred debt issuance costs relating to the 6.50% Unsecured Notes of approximately \$36,000. 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 three months ended September 30, 2023 were approximately \$535,000 and 7.00%, respectively. The cash paid and the effective annualized interest rate for the nine months ended September 30, 2023 were approximately \$2.6 million and 7.04%, respectively. The cash paid and the effective annualized interest rate for the three months ended September 30, 2022 were approximately \$1.0 million and 6.95%, respectively. The cash paid and the effective annualized interest rate for the nine months ended September 30, 2022 were approximately \$3.1 million and 7.02%, respectively.

#### **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.

The aggregate accrued interest payable on the 6.25% Unsecured Notes as of September 30, 2023 March 31, 2024 was approximately \$467,000. As of September 30, 2023 March 31, 2024, the Company had unamortized deferred debt issuance costs of approximately \$602,000 \$485,000 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.

## **OXFORD SQUARE CAPITAL CORP.**

### **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**

**(unaudited)**

#### **NOTE 6. BORROWINGS (cont.)**

The cash paid and the effective annualized interest rate for the three months ended September 30, 2023 March 31, 2024 were approximately \$700,000 and 6.72%, respectively. The cash paid and the effective annualized interest rate for the nine months ended September 30, 2023 were approximately \$2.1 million and 6.79% 6.81%, respectively. The cash paid and the effective annualized interest rate for the three months ended September 30, 2022 March 31, 2023 were approximately \$700,000 and 6.72%, respectively. The cash paid and the effective annualized interest rate for the nine months ended September 30, 2022 were approximately \$2.1 million and 6.79% 6.86%, 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 September 30, 2023 March 31, 2024 was approximately \$738,000. As of September 30, 2023 March 31, 2024, the Company had unamortized deferred debt issuance costs of approximately \$1.9 \$1.7 million 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 three months ended September 30, 2023 March 31, 2024 were approximately \$1.1 million and 5.93%, respectively. The cash paid and the effective annualized interest rate for the nine months ended September 30, 2023 were approximately \$3.3 million and 5.99% 6.01%, respectively. The cash paid and the effective annualized interest rate for the three months ended September 30, 2022 March 31, 2023 were approximately \$1.1 million and 5.93% 6.06%, respectively.

[Table of Contents](#)

#### **OXFORD SQUARE CAPITAL CORP.**

#### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2024**

**(unaudited)**

#### **NOTE 6. BORROWINGS (cont.)**

#### **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 had a stated maturity of March 30, 2024, and were redeemable 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 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.

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 March 31, 2024 or December 31, 2023.

There was no cash paid nor interest expense incurred for the three months ended March 31, 2024. The cash paid and the effective annualized interest rate for the nine three months ended September 30, 2022 March 31, 2023 were approximately \$3.3 \$1.0 million and 5.99% 7.09%, respectively.

#### **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 its 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 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.

35

[Table of Contents](#)

#### **OXFORD SQUARE CAPITAL CORP.**

#### **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**

**(unaudited)**

#### **NOTE 7. RELATED PARTY TRANSACTIONS (cont.)**

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.

34

[Table of Contents](#)

#### **OXFORD SQUARE CAPITAL CORP.**

#### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2024**

**(unaudited)**

#### **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 three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, respectively:



	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
(\$ in millions)						
Base Fee	\$ 1.2	\$ 1.4	\$ 3.6	\$ 4.6	\$ 1.0	\$ 1.2

The Base Fee payable to Oxford Square Management as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** was **\$1,183,941** **\$1.0 million** and **\$1,323,573**, **\$1.0 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.

36

[Table of Contents](#)

## **OXFORD SQUARE CAPITAL CORP.**

### **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**

**(unaudited)**

#### **NOTE 7. RELATED PARTY TRANSACTIONS (cont.)**

- 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 2024 and 2022 2023 calendar years, calculated as of the immediately preceding December 31<sup>st</sup>, were 8.99% 8.84%

[Table of Contents](#)

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2024**

**(unaudited)**

**NOTE 7. RELATED PARTY TRANSACTIONS (cont.)**

and 6.26% 8.99% 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.

- a. The operation of the incentive fee with respect to the Company's Pre-Incentive Fee Net Investment Income for each quarter is as follows:
  - i. 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 (8.99% (8.84% for the 2023 2024 calendar year).
  - ii. 20% of the amount of the Pre-Incentive Fee Net Investment Income, if any, that exceeds one-fourth of the annual hurdle rate (8.99% (8.84% for the 2023 2024 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. 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:
  - (a) 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";
  - (b) 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
  - (c) 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.
- 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

37

[Table of Contents](#)

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**

**(unaudited)**

**NOTE 7. RELATED PARTY TRANSACTIONS (cont.)**

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

36

[Table of Contents](#)

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2024**

**(unaudited)**

**NOTE 7. RELATED PARTY TRANSACTIONS (cont.)**

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.

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 Wavier 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 the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022** **2023**, respectively.

	Three Months	Three Months	Nine Months	Nine Months		
	Ended	Ended	Ended	Ended	Three Months	Three Months
	September	September	September	September	Ended	Ended
	30,	30,	30,	30,	March 31,	March 31,
(\$ in millions)	2023	2022	2023	2022	2024	2023



Net Investment Income Incentive Fee	\$ 1.2	\$ —	\$ 3.7	\$ —	\$ —	\$ 1.2
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The Net Investment Income Incentive Fee payable to Oxford Square Management as of September 30, 2023 was \$1,176,078. There was no Net Investment Income Incentive Fee payable to Oxford Square Management as of December 31, 2022 March 31, 2024 and December 31, 2023.

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.

[Table of Contents](#)

OXFORD SQUARE CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023  
(unaudited)

NOTE 7. RELATED PARTY TRANSACTIONS (cont.)

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 three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023. There was were no liability for accrued Capital Gains Incentive Fees based on hypothetical liquidation payable to Oxford Square Management as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

[Table of Contents](#)

OXFORD SQUARE CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

March 31, 2024  
(unaudited)

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 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 **Chief Executive Officer of Oxford Square Management and** 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 three months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, the Company incurred approximately **\$205,000** **\$207,000** and **\$235,000** **\$267,000**, 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. **For the nine months ended September 30, 2023 and 2022, the Company incurred approximately \$662,000 and \$689,000, respectively, in compensation expenses.** In addition, the Company incurred approximately **\$19,000** **\$16,000** and **\$15,000** **\$19,000** for facility costs allocated under the Administration Agreement for the three months ended **September 30, 2023** **March 31, 2024** and **2022**, respectively. The Company incurred approximately **\$57,000** and **\$45,000** for facility costs for the nine months ended **September 30, 2023** and **2022, 2023**, respectively. As of **September 30, 2023** **March 31, 2024**, there were no accrued compensation expenses payable under the Administration Agreement. As of **March 31, 2023**, there were accrued compensation expenses of approximately **\$43,000** payable under the Administration Agreement. As of **December 31, 2022**, there were accrued compensation expenses of approximately **\$31,000** **\$44,000** payable under the Administration Agreement.

#### ***Co-Investment Exemptive Relief***

On 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.

[Table of Contents](#)

#### **OXFORD SQUARE CAPITAL CORP.**

#### **NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**

**(unaudited)**

#### **NOTE 7. RELATED PARTY TRANSACTIONS (cont.)**

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



[Table of Contents](#)**OXFORD SQUARE CAPITAL CORP.****NOTES TO FINANCIAL STATEMENTS****March 31, 2024****(unaudited)**

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.

**NOTE 8. EARNINGS PER SHARE**

The following table sets forth the computation of basic and diluted net increase/(decrease) in net assets resulting from net investment income and operations per share for the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022, 2023**, respectively:

	Three Months		Nine Months		Three Months	Three Months
	Ended	Three Months	Ended	Nine Months	Three Months	Three Months
	September	Ended	September	Ended	Ended	Ended
	30,	September 30,	30,	September 30,	March 31,	March 31,
	2023	2022	2023	2022	2024	2023
Net investment income	\$ 6,438,818	\$ 5,555,846	\$19,595,383	\$ 14,149,748	\$ 6,537,556	\$ 6,490,784
Weighted average common shares outstanding	56,764,866	49,773,782	52,413,834	49,737,216	59,639,285	49,858,366
Net increase in net assets resulting from net investment income per common share	\$ 0.11	\$ 0.11	\$ 0.37	\$ 0.28	\$ 0.11	\$ 0.13
Net increase/(decrease) in net assets resulting from operations	\$ 6,692,836	\$(11,146,916)	\$24,548,723	\$(62,779,516)		
Net increase/(decrease) in net assets resulting from operations per common share	\$ 0.12	\$(0.22)	\$ 0.47	\$(1.26)		
Net (decrease)/increase in net assets resulting from operations					\$ (1,768,390)	\$ 6,268,483



Net			
(decrease)/increase			
in net assets			
resulting from			
operations per			
common share	\$	(0.03)	\$ 0.13

#### NOTE 9. 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 has accrued approximately \$1.1million of estimated excise tax payable for estimated excise tax on undistributed taxable income. This amount is included in "Accrued Expenses" on the Statements of Assets and Liabilities.

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 three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company issued 135,272 47,743 and 38,914 41,158 shares, respectively, of common stock for approximately \$389,000 \$139,000 and \$128,000.

40 39

[Table of Contents](#)

#### OXFORD SQUARE CAPITAL CORP.

#### NOTES TO FINANCIAL STATEMENTS

September 30, 2023 March 31, 2024  
(unaudited)

#### NOTE 9. DISTRIBUTIONS (cont.)

\$134,000, respectively, to stockholders in connection with the distribution reinvestment plan. During the nine months ended September 30, 2023 On each of January 31, February 29 and 2022, March 29, 2024, the Company issued 234,955 and 110,215 shares, respectively, paid monthly distributions of common stock for approximately \$680,000 and \$399,000, respectively, to stockholders in connection with the distribution reinvestment plan. During the three months and nine months ended September 30, 2023 as part of the Company's dividend reinvestment plan for its common stockholders, the Company's dividend reinvestment administrator did not purchase any shares of common stock in the open market to satisfy the reinvestment portion of the Company's dividends.

The following table reflects the distributions \$2.1 million, or \$0.035 per share that the Company has paid in cash on its common stock since the beginning of 2023:



Date Declared	Record Date	Payment Date	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
April 25, 2023	July 17, 2023	July 31, 2023	\$ 0.035
April 25, 2023	August 17, 2023	August 31, 2023	\$ 0.035
April 25, 2023	September 15, 2023	September 29, 2023	\$ 0.035
August 3, 2023 <sup>(1)</sup>	September 15, 2023	September 29, 2023	\$ 0.120
Total 2023 distributions through September 30, 2023			<u>\$ 0.435</u>

(1) Special distribution share.

Under the Regulated Investment Company Modernization Act of 2010 (the "Act"), the Company is permitted to carry forward capital losses incurred in taxable years beginning after the date of enactment for an unlimited period. However, any losses incurred during those future taxable years will be required to be utilized prior to the losses incurred in pre-enactment taxable years, which carry an expiration date. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term losses rather than being considered all short-term as under previous law.

The tax character of distributions for the nine three months ended September 30, 2023 March 31, 2024, represented, on an estimated basis, \$0.435 \$0.105 per share from ordinary income. For the nine three months ended September 30, 2023 March 31, 2024, 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. federal income tax reporting purposes. The timing and character of distributions for U.S. 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 2023 2024 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.

41

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

September 30, 2023

(unaudited)

#### NOTE 10. NET ASSET VALUE PER SHARE

The Company's net asset value per share as of September 30, 2023 March 31, 2024, and December 31, 2022 December 31, 2023, was \$2.78 \$2.42 and \$2.78, \$2.55, 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.

#### NOTE 11. SHARE ISSUANCE AND REPURCHASE PROGRAMS

On August 22, 2023, the Company entered into Amendment No. 1 to that certain Equity Distribution Agreement dated August 1, 2019 with Ladenburg Thalmann & Co. through which the Company may offer for sale, from time to time, up to \$150.0 million of the Company's common stock through an At-the-Market ("ATM") offering. The Company sold a total of 1,427,423 324,122 shares of common stock pursuant to the ATM offering during the three months ended September 30, 2023 March 31, 2024. The total amount of capital raised net of underwriting fees and offering costs was approximately \$4.4 million \$923,000 during the three months ended September 30, 2023 March 31, 2024.

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 three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company was not authorized to repurchase any shares of outstanding common stock.

40

[Table of Contents](#)

### OXFORD SQUARE CAPITAL CORP.

#### NOTES TO FINANCIAL STATEMENTS

March 31, 2024

(unaudited)

#### NOTE 12. 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. Gross proceeds were approximately \$17.2 million. Approximately 1.7 million shares were purchased in the rights offering by affiliates of Oxford Square Management.

#### NOTE 13. INVESTMENT INCOME

The following table sets forth the components of investment income for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively:

	Three Months	
	Ended September 30, 2023	Three Months Ended September 30, 2022
<b>Interest Income</b>		
Stated interest income	\$ 8,205,329	\$ 6,431,801
Original issue discount and market discount income	211,959	193,920
Discount income derived from unscheduled remittances at par	35,952	179,618
Total interest income	\$ 8,453,240	\$ 6,805,339
<b>Income from securitization vehicles and investments</b>	\$ 4,106,071	\$ 4,402,463
<b>Commitment, amendment and other fee income</b>		
Fee letters	\$ 166,387	\$ 125,291
All other fees	319,656	65,039
Total commitment, amendment and other fee income	\$ 486,043	\$ 190,330



Total investment income	\$ 13,045,354	\$ 11,398,132
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[Table of Contents](#)

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**September 30, 2023**

**(unaudited)**

**NOTE 13. INVESTMENT INCOME (cont.)**

	Nine Months		Three Months	
	Ended	Nine Months	Three Months	Three Months
	September	Ended	Ended	Ended
	30,	September 30,	March 31,	March 31,
	2023	2022	2024	2023
<b>Interest Income</b>				
Stated interest income	\$ 24,617,782	\$ 16,669,500	\$ 6,142,029	\$ 7,945,032
Original issue discount and market discount income	874,209	666,603	302,275	340,019
Discount income derived from unscheduled remittances at par	54,589	393,923		
(Amortization of premium)/discount income derived from unscheduled remittances at par			(23,257)	9,109
Total interest income	\$ 25,546,580	\$ 17,730,026	\$ 6,421,047	\$ 8,294,160
<b>Income from securitization vehicles and investments</b>	\$ 12,814,866	\$ 12,906,127	\$ 3,932,374	\$ 4,379,495
<b>Commitment, amendment and other fee income</b>				
Fee letters	\$ 485,915	\$ 415,712	\$ 131,988	\$ 155,078
All other fees	652,771	151,688		
Loan prepayment and bond call fees			—	—
Money market fund income and all other fees			192,015	113,065
Total commitment, amendment and other fee income	\$ 1,138,686	\$ 567,400	\$ 324,003	\$ 268,143
<b>Total investment income</b>	<b>\$ 39,500,132</b>	<b>\$ 31,203,553</b>	<b>\$10,677,424</b>	<b>\$ 12,941,798</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 three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company received no fee income for managerial assistance.

**NOTE 14, 13. 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. As of September 30, 2023 March 31, 2024, the Company did not have any commitments to purchase additional debt investments.

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, if any, 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.

43 41

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

September 30, 2023 March 31, 2024

(unaudited)

#### NOTE 15.14. FINANCIAL HIGHLIGHTS

Financial highlights for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, are as follows:

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
<b>Per Share Data</b>						
Net asset value at beginning of period	\$ 2.88	\$ 3.67	\$ 2.78	\$ 4.92	\$ 2.55	\$ 2.78
Net investment income <sup>(1)</sup>	0.11	0.11	0.37	0.28	0.11	0.13
Net realized and unrealized gains/(losses) <sup>(2)</sup>	0.01	(0.33)	0.10	(1.54)		
Net increase/(decrease) in net asset value from operations	0.12	(0.22)	0.47	(1.26)		
Net realized and unrealized (losses)/gains <sup>(2)</sup>					(0.13)	(0.00)
Net (decrease)/increase in net asset value from operations					(0.02)	0.13
Distributions per share from net investment income	(0.23)	(0.15)	(0.44)	(0.32)	(0.11)	(0.11)
Tax return of capital distributions <sup>(3)</sup>	—	0.04	—	—	—	—
Total distributions	(0.23)	(0.11)	(0.44)	(0.32)	(0.11)	(0.11)
Effect of shares issued, gross	0.01	—	(0.03)	—		
Effect of shares issued/repurchased, gross					—	—
Net asset value at end of period	\$ 2.78	\$ 3.34	\$ 2.78	\$ 3.34	\$ 2.42	\$ 2.80
Per share market value at beginning of period	\$ 2.65	\$ 3.64	\$ 3.12	\$ 4.08	\$ 2.86	\$ 3.12
Per share market value at end of period	\$ 3.01	\$ 3.01	\$ 3.01	\$ 3.01	\$ 3.17	\$ 3.16



Total return based on Market Value <sup>(4)</sup>	22.17%	(14.79)%	10.99%	(19.90)%	14.63%	4.42%
Total return based on Net Asset Value <sup>(5)</sup>	4.34%	(6.13)%	15.65%	(25.71)%	(0.98)%	4.50%
Shares outstanding at end of period	57,958,446	49,800,274	57,958,446	49,800,274	59,672,337	49,885,954
<b>Ratios/Supplemental Data<sup>(8)</sup></b>						
Net assets at end of period (000's)	\$ 160,895	\$ 166,548	\$ 160,895	\$ 166,548	\$ 144,340	\$ 139,839
Average net assets (000's)	\$ 160,397	\$ 174,670	\$ 148,132	\$ 206,324	\$ 148,260	\$ 139,235
Ratio of expenses to average net assets <sup>(6)</sup>	15.40%	12.95%	17.72%	10.98%	11.17%	18.53%
Ratio of net investment income to average net assets <sup>(6)</sup>	17.13%	13.16%	17.83%	9.18%	17.64%	18.65%
Portfolio turnover rate <sup>(7)</sup>	—%	3.53%	2.64%	16.42%	3.09%	0.10%

- (1) Represents per share net investment income for the period, based upon weighted average shares outstanding.
- (2) Net realized and unrealized gains/(losses) 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. 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.
- (4) Total return based on market value equals the increase or decrease of ending market value over beginning market value, plus distributions, divided by the beginning market value, assuming distribution reinvestment prices obtained under the Company's distribution reinvestment plan, excluding any discounts. Total return is not annualized.
- (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. Total return is not annualized.
- (6) Ratios for Annualized and includes excise tax.
- (7) Portfolio turnover rate is calculated using the three lesser of the year-to-date investment sales and nine months ended September 30, 2023 are annualized and include non debt repayments or year-recurring -to-date expenses, including excise tax investment purchases over the average of 0.36% and 0.59% of average net assets, respectively, which are not annualized. the total investments at fair value.

44 42

[Table of Contents](#)

## OXFORD SQUARE CAPITAL CORP.

### NOTES TO FINANCIAL STATEMENTS

September 30, 2023 March 31, 2024

(unaudited)



NOTE 15.14. FINANCIAL HIGHLIGHTS (cont.)

- (7) Portfolio turnover rate is calculated using the lesser of the quarter-to-date/year-to-date cash investment sales and debt repayments or quarter-to-date/year-to-date cash investment purchases over the average of the total investments at fair value.
- (8) The following table provides supplemental performance ratios (annualized) measured for the three and nine months ended September 30, 2023, March 31, 2024 and 2022; 2023:

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
<b>Ratio of expenses to average net assets:</b>						
Operating expenses before incentive fees	12.47%	12.95%	14.38%	10.98%		
Net investment income incentive fees	2.93%	—%	3.34%	—%		
<b>Ratio of expenses, excluding interest expense to average net assets</b>	<b>9.09%</b>	<b>5.87%</b>	<b>9.89%</b>	<b>4.99%</b>		
					<b>Ratio of expenses to average net assets:</b>	
					Operating expenses, including excise tax, before incentive fees	11.17% 15.00%
					Net investment income incentive fees	—% 3.53%



	Ratio of		
	expenses,		
	including		
	excise tax		
	and		
	excluding		
	interest		
	expense,		
	to average		
	net assets	5.88%	9.67%

#### NOTE 16. 15. RISKS AND UNCERTAINTIES

The Company may be materially adversely affected by market conditions. Government spending, government policies, including recent increases in certain interest rates by the U.S. Federal Reserve in 2023, 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 Company's portfolio companies and underlying CLO vehicles the Company invests in, the failure by a portfolio company or 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. A portfolio company's failure to satisfy financial or operating covenants imposed by the Company or other lenders could lead to defaults and, potentially, termination of the portfolio company's loans and foreclosure on its secured assets, which could trigger cross-defaults under other agreements and jeopardize the portfolio company's ability to meet its obligations under the debt securities that the Company holds.

Separately, the Company may incur expenses to the extent necessary to seek recovery upon default or to negotiate new terms with a defaulting portfolio company, CLO vehicle or any other investment we may make. In addition, if a portfolio company goes bankrupt, even though the Company may have structured its investment as senior debt or secured debt, depending on the facts and circumstances, including the extent to which the Company actually provided significant managerial assistance, if any, to that portfolio company, a bankruptcy court might re-characterize the Company's debt holding and subordinate all or a portion of the Company's claim to that of other creditors. If any of these occur, it could materially and adversely affect the Company's operating results and cash flows.

45

[Table of Contents](#)

OXFORD SQUARE CAPITAL CORP.

NOTES TO FINANCIAL STATEMENTS

September 30, 2023

(unaudited)

NOTE 16. RISKS AND UNCERTAINTIES (cont.)



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.

[Table of Contents](#)

**OXFORD SQUARE CAPITAL CORP.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2024**

**(unaudited)**

**NOTE 15. RISKS AND UNCERTAINTIES (cont.)**

Various social and political circumstances in the **U.S. United States** 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 United States and worldwide. **Specifically, the The 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 condition**. The extent and duration or **results escalation of operations**. In response 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 **conflict between Russia and Ukraine, the United States and other countries have imposed sanctions use or other restrictive threatened use of nuclear weapons**) or resulting from actual or threatened responses to such actions **against Russia**. Any could cause disruptions to any of the **above factors, including Company's 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, **export controls, tariffs, trade wars retaliatory and other governmental actions**, 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 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. operations**. These market and economic disruptions could also negatively impact the operating results of the Company's portfolio companies.

**NOTE 17.16. SUBSEQUENT EVENTS**

The following distributions payable to stockholders are shown below:

Date Declared	Record Date	Payable Date	Per Share Distribution
			Amount Declared
<b>August 3, 2023</b> March	<b>October 17, 2023</b> April	<b>October 31, 2023</b> April	\$0.035
14, 2024	16, 2024	30, 2024	
<b>August 3, 2023</b> March	<b>November 16, 2023</b>	<b>November 30, 2023</b>	<b>\$0.035</b>
14, 2024			
<b>August 3, 2023</b>	<b>December 15, 2023</b>	<b>December 29, 2023</b>	<b>\$0.035</b>
<b>November 2, 2023</b>	<b>January May 17, 2024</b>	<b>January May 31, 2024</b>	\$0.035



November 2, 2023	February 15, March 14, 2024	February 29, June 14, 2024	June 28, 2024	\$0.035
November 2, 2023	March 15, April 25, 2024	March 29, July 17, 2024	July 31, 2024	\$0.035
April 25, 2024	August 16, 2024	August 30, 2024	\$0.035	
April 25, 2024	September 16, 2024	September 30, 2024	\$0.035	

On October 4, 2023, the Company caused notices to be issued to the holders of its 6.50% Unsecured Notes regarding the Company's exercise of its option to redeem, in part, the issued and outstanding 6.50% Unsecured Notes. The Company redeemed \$7.0 million in aggregate principal amount of the \$14.4 million in aggregate principal amount of outstanding 6.50% Unsecured Notes on November 3, 2023 (the "Redemption Date"). The Notes were redeemed at 100% of their principal amount (\$25 per Note), plus the accrued and unpaid interest thereon from September 30, 2023, to, but not including, the Redemption Date.

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.

46 44

[Table of Contents](#)

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q 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;
- 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.

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 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;

47

#### [Table of Contents](#)

- 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;

45

#### [Table of Contents](#)

- 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* contained in our Annual Report on Form 10-K for the year ended December 31, **2022, 2023**, elsewhere in this Quarterly Report on Form 10-Q and in our other 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 Quarterly Report on Form 10-Q 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* contained in our Annual Report on Form 10-K for the year ended **December 31, 2022** **December 31, 2023**, and elsewhere in this Quarterly Report on Form 10-Q. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this Quarterly Report on Form 10-Q. **Because we are an investment company, the forward-looking statements and projections contained in this quarterly report are excluded from the safe harbor protections provided by Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995).**

*Except where the context requires otherwise, the terms "OXSQ," "Company," "we," "us" and "our" refer to Oxford Square Capital Corp.; "Oxford Square Management" refers to Oxford Square Management, LLC; and "Oxford Funds" refers to Oxford Funds, LLC.*



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 Quarterly Report on Form 10-Q.

## 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, to a lesser extent, in collateralized loan obligations ("CLO"), 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 management investment company and have elected to be regulated as a BDC business development company ("BDC") under the Investment Company Act of 1940, as amended (the "1940 Act"). We have elected to be treated for tax purposes as a RIC, regulated investment company ("RIC"), under Subchapter M of the Code, Internal Revenue Code of 1986, as amended (the "Code").

Our investment activities are managed by Oxford Square Management, LLC ("Oxford Square Management"), a registered investment adviser under the Investment Advisers Act of 1940, as amended. Oxford Square Management is owned by Oxford Funds, LLC ("Oxford Funds"), its managing member, and a related party, Charles M. Royce, a member of our Board of Directors ("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 an investment advisory agreement (the "Investment Advisory Agreement"), we have agreed to pay Oxford Square Management an annual Base Fee base management fee calculated on gross assets, and an incentive fee based upon our performance. Under an amended and restated administration agreement (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 September 30, 2023 March 31, 2024, our debt investments had

48.46

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### [Table of Contents](#)

investments had stated interest rates of between 9.18% 9.19% and 17.00% 15.33% and maturity dates of between 0 and 77.82 months. In addition, our total portfolio had a weighted average annualized yield on debt investments of approximately 13.10% 13.94% as of September 30, 2023 March 31, 2024.

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 September 30, 2023 March 31, 2024, including accretion of original issue discount ("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 fees** 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.

During the three months ended **September 30, 2023** **March 31, 2024**, U.S. loan market performance improved versus the **three months ended June 30, 2023**, **prior quarter**. U.S. loan prices, as defined by the Morningstar/LSTA US Leveraged Loan Index, increased from **94.24%** **96.23%** of par as of **June 30, 2023** **December 31, 2023** to **95.56%** **96.69%** of par as of **September 30, 2023** **March 31, 2024**.

As of **September 30, 2023** **March 31, 2024**, the Company's Board of Directors approved the fair value of the Company's investment portfolio of approximately **\$285.5** **\$250.9** million in good faith in accordance with the Company's valuation procedures.

#### 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 contained in our Annual Report on Form 10-K for the year ended December 31, 2023. See "Note 3. Summary of Significant Accounting Policies" to our financial statements for the three months ended March 31, 2024 for more information on our critical accounting policies.**

#### 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**, **value**. 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.

#### [Table of Contents](#)

ASC 820-10 **clarified** **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

## Table of Contents

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 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 **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**.

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.

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

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48

#### ***Table of Contents***

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 its 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.

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50

#### ***Table of Contents***

#### ***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 2.5% 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 4. 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 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 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 September 30, 2023 and 2022, we had three debt investments that were on non-accrual status.

Interest income also includes a payment-in-kind ("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, uncanceled 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 three and nine months ended September 30, 2023 and 2022, no PIK preferred stock dividends were recognized as dividend income. For the three and nine months ended September 30, 2023 and 2022, no PIK interest was recognized as interest income.



[Table of Contents](#)
**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 September 30, 2023 and 2022, we had no investments in CLO warehouse facilities. For the three and nine months ended September 30, 2023 and 2022, no income was recognized related to 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 3. Summary of Significant Accounting Policies" to our financial statements for a description of recent accounting pronouncements, including the impact on our financial statements.

**PORTFOLIO COMPOSITION AND INVESTMENT ACTIVITY**

The total fair value of our investment portfolio was approximately \$285.5 \$250.9 million and \$314.7 \$266.9 million as of September 30, 2023 March 31, 2024, and December 31, 2022 December 31, 2023, respectively. The decrease in the value of investments during the nine three month period ended September 30, 2023 March 31, 2024, was due primarily to \$15.0 million of debt repayments \$15.8 of approximately \$17.9 million, of sales of investments and of approximately \$1.4 million, net realized losses of \$16.8 approximately \$8.1 million, partially offset by and net unrealized appreciation depreciation on our investment portfolio of approximately \$21.9 \$0.2 million (which incorporates reductions to CLO equity cost value of \$12.5 \$0.8 million), and \$8.2 million which were partially offset by investment acquisitions of investments acquired, approximately \$12.1 million.

A reconciliation of the investment portfolio for the nine three months ended September 30, 2023 March 31, 2024 and the year ended December 31, 2022 December 31, 2023 follows:

	September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
(\$ in millions)				
Beginning investment portfolio	\$ 314.7	\$ 420.8	\$266.9	\$ 314.7
Portfolio investments acquired	8.2	84.2	12.1	11.7
Debt repayments	(15.0)	(50.0)	(17.9)	(15.8)
Sales of securities	(15.8)	(14.6)	(1.4)	(19.6)
Reductions to CLO equity cost value <sup>(1)</sup>	(12.5)	(20.4)	(0.8)	(15.3)



Accretion of discounts on investments	0.9	0.9	0.3	1.1
Net change in unrealized appreciation/(depreciation)				
on investments	21.9	(105.9)		
Net realized losses on investments	(16.8)	(0.3)		
Net change in unrealized (depreciation)/appreciation				
on investments			(0.2)	7.1
Net realized (losses) on investments			(8.1)	(17.1)
Ending investment portfolio <sup>(2)</sup>	\$ 285.5	\$ 314.7	\$250.9	\$ 266.9

- (1) For the nine three months ended September 30, 2023 March 31, 2024, the reductions to CLO equity cost value of approximately \$12.5 \$0.8 million represented the distributions received, or entitled to be received, on our investments held in CLO equity subordinated and income notes of approximately \$25.2 \$4.8 million, plus the amortization of cost on our CLO fee notes of approximately

52

## Table of Contents

\$103,000, \$5,000, less the effective yield interest income recognized on our CLO equity subordinated and income notes of approximately \$12.8 \$3.9 million. For the year ended December 31, 2022 December 31, 2023, the reductions to CLO equity cost value of approximately \$20.4 \$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 \$37.3 \$32.0 million, plus the amortization of cost on our CLO fee notes of approximately \$128,000, \$123,000, less the effective yield interest income recognized on our CLO equity subordinated and income notes of approximately \$17.1 \$16.8 million.

- (2) Totals may not sum due to rounding.

During the nine three months ended September 30, 2023 March 31, 2024 we purchased approximately \$8.2 \$12.1 million in portfolio investments, which includes additional investments of approximately \$5.3 million in existing portfolio companies and approximately \$6.8 million in new portfolio companies. During the year ended December 31, 2023, we purchased approximately \$11.7 million in portfolio investments, including additional investments of approximately \$3.5 million in existing portfolio companies and approximately \$4.7 \$8.2 million in new portfolio companies. During the year ended December 31, 2022, we purchased approximately \$84.2 million in portfolio investments, including additional investments

49

## Table of approximately \$58.9 million in existing portfolio companies and approximately \$25.3 million in new portfolio companies, Contents

In certain instances, we receive investment proceeds based on the scheduled amortization of the outstanding loan balances and from the sales of portfolio investments. In addition, we receive repayments of some of our debt investments prior to their scheduled maturity date. The frequency or volume of these repayments may fluctuate significantly from period to period.

For the nine three months ended September 30, 2023 and the year ended December 31, 2022 March 31, 2024, we recognized proceeds from the sales of securities of approximately \$15.8 million and \$14.6 million, respectively. \$1.4 million. For the year ended December 31, 2023, we recognized proceeds from the sales of securities of approximately \$19.6 million. Also, during the nine three months ended September 30, 2023 March 31, 2024 and the year ended December 31, 2022 December 31, 2023, we had loan principal repayments of approximately \$15.0 \$17.9 million and \$50.0 \$15.8 million, respectively.

As of September 30, 2023 March 31, 2024, we had investments in debt securities of, or loans to, 20 portfolio companies, with a fair value of approximately \$161.7 million, CLO equity investments of approximately \$84.2 million, and other equity investments of approximately \$4.9 million.



As of December 31, 2023, we had investments in debt securities of, or loans to, 19 portfolio companies, with a fair value of approximately \$193.7 \$179.5 million, CLO equity investments of approximately \$84.1 \$82.2 million, and other equity investments of approximately \$7.7 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, CLO equity investments of approximately \$98.9 million, and other equity investments of approximately \$4.3 \$5.3 million.

The following table indicates the quarterly portfolio investment activity for the past seven five quarters:

Three Months Ended (\$ in millions)	Purchases of Investments	Repayments of Principal	Sales of Investments	Reductions to CLO Equity Cost <sup>(1)</sup>
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 2023 to date <sup>(2)</sup>	\$ 8.2	\$ 15.0	\$ 15.8	\$ 12.5
December 31, 2022	\$ 6.1	\$ 0.2	\$ —	\$ 2.3
September 30, 2022	3.9	11.0	1.8	3.9
June 30, 2022	26.9	0.2	9.5	6.4
March 31, 2022	47.4	38.6	3.4	7.8
Total 2022 <sup>(2)</sup>	\$ 84.2	\$ 50.0	\$ 14.6	\$ 20.4

Three Months Ended (\$ in millions)	Purchases of Investments	Debt Repayments	Sales of Investments	Reductions to CLO Equity Cost Value <sup>(1)</sup>
March 31, 2024	\$ 12.1	\$ 17.9	\$ 1.4	\$ 0.8
Total 2024 to date	\$ 12.1	\$ 17.9	\$ 1.4	\$ 0.8
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

- (1) Reductions to CLO equity cost value represent the distributions received, or entitled to be received, on our investments held in CLO equity subordinated and income notes, plus the amortization of cost of our CLO fee notes, less the effective yield interest income recognized on our CLO equity subordinated and income notes.
- (2) Totals may not sum due to rounding.

#### [Table of Contents](#)

The following table shows the fair value of our portfolio of investments by asset class as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

September 30, 2023	December 31, 2022	March 31, 2024	December 31, 2023
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(\$ in millions)	Percentage		Percentage		Percentage		Percentage	
	Investments	of	Investments	of	Investments	of	Investments	of
	at	Total	at	Total	at	Total	at	Total
	Fair Value	Portfolio	Fair Value	Portfolio	Fair Value	Portfolio	Fair Value	Portfolio
Senior Secured Notes	\$ 193.7	67.8%	\$ 211.4	67.2%	\$ 161.7	64.4%	\$ 179.5	67.2%
CLO Equity	84.1	29.5%	98.9	31.4%	84.2	33.6%	82.2	30.8%
Equity and Other Investments	7.7	2.7%	4.3	1.4%	4.9	2.0%	5.3	2.0%
Total <sup>(1)</sup>	\$ 285.5	100.0%	\$ 314.7	100.0%	\$ 250.9	100.0%	\$ 266.9	100.0%

(1) Totals may not sum due to rounding.

Qualifying assets must represent at least 70.0% of the Company's total assets at the time of acquisition of any additional non-qualifying assets. As of **September 30, 2023**, **March 31, 2024** and **December 31, 2022**, we held qualifying assets that represented **72.4%**, **69.4%** and **70.1%**, respectively, of the total assets. No additional non-qualifying assets were acquired during the periods when qualifying assets were less than 70.0% of the total assets.

50

#### [Table of Contents](#)

The following table shows our portfolio of investments by industry at fair value, as of **September 30, 2023**, **March 31, 2024** and **December 31, 2022**:

	September 30, 2023		December 31, 2022		March 31, 2024		December 31, 2023	
	Investments	Percentage	Investments	Percentage	Investments	Percentage	Investments	Percentage
	at	of	at	of	at	of	at	of
	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
	(\$ in millions)		(\$ in millions)		(\$ in millions)		(\$ in millions)	
Structured finance <sup>(1)</sup>	\$ 84.1	29.6%	\$ 98.9	31.4%	\$ 84.2	33.6%	\$ 82.2	30.8%
Software	76.1	26.6%	69.0	21.9%	62.6	25.0%	66.0	24.7%
Business services	41.9	14.7%	53.4	17.0%	28.6	11.4%	43.0	16.1%
Healthcare	32.3	11.3%	33.6	10.7%	28.0	11.1%	28.4	10.7%
Telecommunication services	21.8	7.6%	22.2	7.1%	16.4	6.5%	20.9	7.8%
Diversified insurance	14.3	5.0%	14.7	4.7%	13.8	5.5%	13.9	5.2%
Utilities					7.4	3.0%	7.2	2.7%
Food and beverage					5.0	2.0%	—	—%
IT consulting	7.7	2.7%	4.3	1.4%	4.9	1.9%	5.3	2.0%
Utilities	7.2	2.5%	6.8	2.2%				
Plastics								
Manufacturing	—	0.0%	11.7	3.7%				
Total <sup>(2)</sup>	\$ 285.5	100.0%	\$ 314.7	100.0%	\$ 250.9	100.0%	\$ 266.9	100.0%

(1) Reflects our equity investments in CLOs as of **September 30, 2023**, **March 31, 2024**, and **December 31, 2022**, respectively.

(2) Totals may not sum due to rounding.

#### PORTFOLIO GRADING



We have adopted a credit grading system to monitor the quality of our debt investment portfolio. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, our portfolio had a weighted average grade of **2.2, 2.3** and **2.2, 2.3**, respectively, based upon the fair value of the debt investments in the portfolio. Equity securities and investments in CLOs are not graded.

54

#### [Table of Contents](#)

As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, our debt investment portfolio was graded as follows:

(\$ in millions)		September 30, 2023			
Grade	Summary Description	Principal	Percentage	Portfolio	Percentage
		Value	of Debt	at Fair	of Debt
		Value	Portfolio	Value	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.	194.6	67.0%	155.6	80.3%
3	Closer monitoring is required. Full repayment of the outstanding amount of OXSQ's cost basis and interest is expected for the specific tranche.	65.5	22.6%	37.6	19.4%
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.	30.3	10.4%	0.5	0.3%
	Total	\$ 290.4	100.0%	\$ 193.7	100.0%

(\$ in millions)		December 31, 2022			
Grade	Summary Description	Principal	Percentage	Portfolio	Percentage
		Value	of Debt	at Fair	of Debt
		Value	Portfolio	Value	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>	<u>\$ 307.2</u>	<u>100.0%</u>	<u>\$ 211.4</u>	<u>100.0%</u>

(\$ in millions)		March 31, 2024			
Grade	Summary Description	Percentage		Portfolio	
		Principal Value	of Debt 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.	151.5	53.8%	116.6	72.1%
3	Closer monitoring is required. Full repayment of the outstanding amount of OXSQ's cost basis and interest is expected for the specific tranche.	66.7	23.6%	43.1	26.7%
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.	63.8	22.6%	2.0	1.2%
	Total <sup>(1)</sup>	<u>\$ 282.1</u>	<u>100.0%</u>	<u>\$ 161.7</u>	<u>100.0%</u>

(1) Totals may not sum due to rounding.

[Table of Contents](#)

(\$ in millions)		December 31, 2023			
Grade	Summary Description	Percentage		Portfolio	
		Principal Value	of Debt 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	<u>\$ 290.7</u>	<u>100.0%</u>	<u>\$ 179.5</u>	<u>100.0%</u>

(1) Totals may not sum due to rounding.

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

55 52

[Table of Contents](#)

## RESULTS OF OPERATIONS

Set forth below is a comparison of our results of operations for the three and nine months ended September 30, 2023 March 31, 2024 to the three and nine months ended September 30, 2022 March 31, 2023.

### Investment Income

Investment income for the three months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023 was approximately \$13.0 \$10.7 million and \$11.4 million, respectively. Investment income for the nine months ended September 30, 2023 and September 30, 2022 was approximately \$39.5 million and \$31.2 \$12.9 million, respectively. The following tables set forth the components of investment income for the three and nine months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023:

	Three Months	
	Ended September 30, 2023	Three Months Ended September 30, 2022
<b>Interest Income</b>		
Stated interest income	\$ 8,205,329	\$ 6,431,801
Original issue discount and market discount income	211,959	193,920
Discount income derived from unscheduled remittances at par	35,952	179,618
Total interest income	<u>\$ 8,453,240</u>	<u>\$ 6,805,339</u>
<b>Income from securitization vehicles and investments</b>	<u>\$ 4,106,071</u>	<u>\$ 4,402,463</u>
<b>Commitment, amendment and other fee income</b>		



Fee letters	\$ 166,387	\$ 125,291
All other fees	319,656	65,039
Total commitment, amendment and other fee income	\$ 486,043	\$ 190,330
<b>Total investment income</b>	<b>\$ 13,045,354</b>	<b>\$ 11,398,132</b>

  

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
<b>Interest Income</b>		
Stated interest income	\$ 24,617,782	\$ 16,669,500
Original issue discount and market discount income	874,209	666,603
Discount income derived from unscheduled remittances at par	54,589	393,923
Total interest income	\$ 25,546,580	\$ 17,730,026
<b>Income from securitization vehicles and investments</b>	<b>\$ 12,814,866</b>	<b>\$ 12,906,127</b>
<b>Commitment, amendment and other fee income</b>		
Fee letters	\$ 485,915	\$ 415,712
All other fees	652,771	151,688
Total commitment, amendment and other fee income	\$ 1,138,686	\$ 567,400
<b>Total investment income</b>	<b>\$ 39,500,132</b>	<b>\$ 31,203,553</b>

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
<b>Interest Income</b>		
Stated interest income	\$ 6,142,029	\$ 7,945,032
Original issue discount and market discount income	302,275	340,019
(Amortization of premium)/discount income derived from unscheduled remittances at par	(23,257)	9,109
Total interest income	\$ 6,421,047	\$ 8,294,160
<b>Income from securitization vehicles and investments</b>	<b>\$ 3,932,374</b>	<b>\$ 4,379,495</b>
<b>Commitment, amendment and other fee income</b>		
Fee letters	\$ 131,988	\$ 155,078
Loan prepayment and bond call fees	—	—
Money market fund income and all other fees	192,015	113,065
Total commitment, amendment and other fee income	\$ 324,003	\$ 268,143
<b>Total investment income</b>	<b>\$ 10,677,424</b>	<b>\$ 12,941,798</b>

The ~~increase~~ decrease in total investment income for the three ~~and nine~~ months ended ~~September 30, 2023~~ March 31, 2024 was primarily due to ~~an increase~~ a decrease in interest income for the three ~~and nine~~ months ended ~~September 30, 2023~~ March 31, 2024.

The total principal value of income producing debt investments as of ~~September 30, 2023~~ March 31, 2024 and ~~September 30, 2022~~ March 31, 2023 was approximately ~~\$260.2~~ \$218.2 million and ~~\$272.7~~ \$287.7 million, respectively. As of ~~September 30, 2023~~ March 31, 2024, our debt investments had a range of stated interest rates of ~~9.18%~~ 9.19% and ~~17.00%~~ 15.33% and maturity dates of between 0 and ~~77~~ 82 months compared to a range of stated interest rates of ~~6.37% to 12.73%~~ 8.09% and 14.83% and maturity dates of between ~~30~~ and ~~89~~ 83 months as of ~~September 30, 2022~~ March 31, 2023. In addition, our total debt portfolio had a weighted average yield on debt investments of approximately ~~13.10%~~ 13.94% as of ~~September 30, 2023~~ March 31, 2024, compared to approximately



10.41% 12.36% as of September 30, 2022 March 31, 2023. As of September 30, 2023 March 31, 2024, three six debt investments in three portfolio companies were on non-accrual status with a combined fair value of approximately \$0.5 \$2.0 million and total principal amount value of approximately \$30.3 \$63.8 million. As of September 30, 2022 March 31, 2023, three debt investments in one portfolio company were on non-accrual status with a combined fair value of approximately \$0.5 \$0.1 million and total principal amount value of approximately \$27.8 \$28.7 million.

56

## [Table of Contents](#)

Income from securitization vehicles for the three months ended September 30, 2023 March 31, 2024 and September 30, 2022, was approximately \$4.1 million and \$4.4 million, respectively. Income from securitization vehicles for the nine months ended September 30, 2023 and September 30, 2022 March 31, 2023, was approximately \$12.8 \$3.9 million and \$12.9 \$4.4 million, respectively. The total principal outstanding on our investments in CLOs as of September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, was approximately \$312.3 \$314.7 million and \$382.1 \$363.1 million, respectively. The weighted average yield on CLO equity investments as of September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023, was approximately 9.7% 9.5% and 9.0% 9.1%, respectively.

## Operating Expenses

Total expenses, including taxes, for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, were approximately \$6.6 \$4.1 million and \$5.8 million, respectively. Total expenses for the nine months ended September 30, 2023 and 2022, were approximately \$19.9 million and \$17.1 \$6.5 million, respectively. These amounts consisted of base management fees, interest expense, professional fees, compensation expense, general and administrative expenses, excise tax, and net investment income incentive fees. The increase for the three and nine months ended September 30, 2023 was That decrease is primarily due to higher net investment income lower interest expense, base management fees, and incentive fees, and excise tax, partially offset by a decrease in base management fees.

Expenses before incentive fees for the three and nine months ended September 30, 2023 were approximately \$5.4 million and \$16.2 million. For the three and nine months ended September 30, 2022, expenses before incentive fees were approximately \$5.8 million and \$17.1 million respectively, greater excise tax expense.

The base management fee for the three months ended September 30, 2023 March 31, 2024 was approximately \$1.2 \$1.0 million compared with \$1.4 \$1.2 million for the three months ended September 30, 2022. The base management fee for the nine months ended September 30, 2023 was approximately \$3.6 million compared with \$4.6 million for the nine months ended September 30, 2022 March 31, 2023. That decrease for the three and nine months ended September 30, 2023 March 31, 2024 was due largely to a decrease in the weighted average gross assets.

53

## [Table of Contents](#)

There was no net investment income incentive fee for the three months ended March 31, 2024. The net investment income incentive fees fee for the three and nine months ended September 30, 2023 were March 31, 2023 was approximately \$1.2 million and \$3.7 million respectively. There were no net investment income incentive fees million. That decrease for the three and nine months ended September 30, 2022. That increase for the three and nine months ended September 30, 2023 March 31, 2024 was due to greater net investment income, coupled with our the Company's performance not exceeding the total return requirement.

Interest expense for the three months ended September 30, 2023 and 2022, March 31, 2024, was approximately \$2.5 and \$3.1 \$2.0 million, respectively. Interest expense for the nine months ended September 30, 2023 and 2022, was approximately \$8.7 million and \$9.3 million, respectively. Interest expense which primarily relates to our 5.50% unsecured notes due 2028 (the "5.50%



Unsecured Notes"; and 6.25% unsecured notes due 2026 (the "6.25% Unsecured Notes"). Interest expense for the three months ended March 31, 2023, was approximately \$3.1 million, which primarily relates to our 5.50% Unsecured Notes, 6.25% Unsecured Notes, and 6.50% unsecured notes due 2024 (the "6.50% Unsecured Notes"). 2024.

Professional fees, consisting of legal, consulting, valuation, audit and tax fees, were approximately \$479,000 \$312,000 for the three months ended September 30, 2023 March 31, 2024, compared to approximately \$417,000 \$336,000 for the three months ended September 30, 2022 March 31, 2023. Professional fees were approximately \$1.1 million That decrease for the nine three months ended September 30, 2023, which March 31, 2024 was approximately the same as the nine months ended September 30, 2022, primarily due to lower legal fees.

Compensation expense was approximately \$205,000 \$207,000 for the three months ended September 30, 2023 March 31, 2024, compared to approximately \$235,000 \$267,000 for the three months ended September 30, 2022. Compensation expense was approximately \$662,000 for the nine months ended September 30, 2023, compared to approximately \$689,000 for the nine months ended September 30, 2022 March 31, 2023. Compensation expense reflects the allocation of compensation expenses for the services of our Chief Financial Officer, accounting personnel, and other administrative support staff.

General and administrative expenses, consisting primarily of directors' fees, insurance, listing fees, transfer agent and custodian fees, office supplies, facilities costs and other expenses, were was approximately \$458,000 \$347,000 for the three months ended September 30, 2023 March 31, 2024, compared to approximately \$439,000 \$373,000 for the three months ended September 30, 2022. General and administrative expenses were approximately \$1.3 million for the nine months ended September 30, 2023, compared to approximately \$1.2million for the nine months ended September 30, 2022 March 31, 2023. Office supplies, facilities costs and other expenses are allocated to us under the terms of the Administration Agreement.

57

#### [Table of Contents](#)

Excise tax was approximately \$574,000 \$326,000 for the three months ended September 30, 2023, compared to approximately \$252,000 March 31, 2024. There was no excise tax for the three months ended September 30, 2022. Excise tax was approximately \$874,000 for the nine months ended September 30, 2023, compared to approximately \$252,000 for the nine months ended September 30, 2022 March 31, 2023.

#### *Incentive Fees*

The There was no net investment income incentive fee ("Net Investment Income Incentive Fee") recorded for the three and nine months ended September 30, 2023 was approximately \$1.2 million and \$3.7 million, respectively. There was no March 31, 2024. The Net Investment Income Incentive Fee recorded for the three and nine months ended September 30, 2022 due to the total return requirement. March 31, 2023 was approximately \$1.2 million. 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 (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 **Oxford Square Management** **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 three **and nine** months ended **September 30, 2023, March 31, 2024 and 2023**, 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. For the three **and nine** months ended **September 30, 2023, March 31, 2024 and 2022, 2023**, such an accrual was not required under the terms of the Investment Advisory Agreement.

54

## [Table of Contents](#)

### Realized and Unrealized Gains/Losses on Investments

For the three months ended **September 30, 2023, March 31, 2024**, we recognized **net** realized losses **on investments** of approximately **\$13.5** **\$8.1**million. **\$7.9**million **which reflects the sale of multiple** those realized losses were recognized on our former investments in Alvaria, Inc. first and second lien senior secured notes, as Alvaria, Inc. went through a debt restructuring. We also sold a CLO equity **investments**. **investment** for approximately **\$1.4** million and recognized a realized loss of approximately **\$236,000**.

For the three months ended **September 30, 2023, March 31, 2024**, our net change in unrealized **appreciation depreciation** was approximately **\$13.9** **\$0.2** million, composed of **\$8.4** **\$6.9** million in gross unrealized appreciation, **\$10.2** **\$15.3** million in gross unrealized depreciation and approximately **\$15.7** **\$8.2** 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 **\$5.1** **\$0.8** 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 **\$9.2** **\$4.8** million and the effective yield interest income recognized on our CLO equity

58

## [Table of Contents](#)

subordinated notes and the amortized cost adjusted income on our CLO equity fee notes of approximately **\$4.1** **\$3.9** million. The most significant components of the net change in unrealized **appreciation depreciation** during the three months ended **September 30, 2023, March 31, 2024**, were as follows (in millions):

Portfolio Company	Changes in Unrealized Appreciation/ (Depreciation)	Changes in Unrealized Appreciation/ (Depreciation)
Nassau 2019-I Ltd.	\$ 9.7	
Telos CLO 2013-4, Ltd.	5.1	
Dryden 43 Senior Loan Fund	(1.6)	
Alvaria, Inc. (f/k/a Aspect Software, Inc.)		\$ 7.7
Octagon Investment Partners 49, Ltd.		4.2
Magenta Buyer, LLC (f/k/a McAfee Enterprise)		(1.6)
Quest Software, Inc.		(3.4)
ConvergeOne Holdings, Inc.	(1.6)	(4.5)
Magenta Buyer, LLC (f/k/a McAfee Enterprise)	(2.8)	



Net all other	5.1	(2.6)
Total	\$ 13.9	\$ (0.2)

For the **nine** three months ended **September 30, 2023** **March 31, 2023**, we **recognized net** **did not sell any positions, nor recognize any** realized **losses on investments of approximately \$16.8 million, which reflects the sale of multiple CLO equity investments and an extinguishment of one CLO equity investment, partially offset by a sale of a senior secured loan, gains or losses.**

For the **nine** three months ended **September 30, 2023** **March 31, 2023**, our net change in unrealized **appreciation depreciation** was approximately **\$21.9** **\$0.2** million, composed of **\$20.5** **\$7.8** million in gross unrealized appreciation **\$17.8** and **\$8.0** million in gross unrealized depreciation and approximately \$19.3 million relating to the reversal of prior period net unrealized depreciation as investment gains and losses were realized. **depreciation**. This includes net unrealized appreciation of approximately **\$12.5** **\$3.0** 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 **\$25.2** **\$7.3** 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 **\$12.7** **\$4.3** million. The most significant components of the net change in unrealized **appreciation depreciation** during the **nine** three months ended **September 30, 2023** **March 31, 2023**, were as follows (in millions):

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
Careismatic Brands, Inc. (f/k/a New Trojan Parent, Inc.)	(3.2)
Magenta Buyer, LLC (f/k/a McAfee Enterprise)	(5.1)
Net all other	13.0
Total	\$ 21.9

Portfolio Company	Changes in Unrealized Appreciation/ (Depreciation)
Dodge Data & Analytics, LLC	\$ 1.3
RSA Security, LLC	1.0
Verifone Systems, Inc.	(0.8)
ConvergeOne Holdings, Inc.	(1.0)
HealthChannels, Inc. (f/k/a ScribeAmerica, LLC)	(2.3)
Net all other	1.6
Total	\$ (0.2)

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

Net investment income for the three months ended **September 30, 2023** **March 31, 2024** and **September 30, 2022** **March 31, 2023** was approximately **\$6.4** **\$6.5** million and **\$5.6** **\$6.5** million,



respectively. Net investment income for the nine months ended September 30, 2023 and September 30, 2022 was approximately \$19.6 million and \$14.1 million, respectively. That increase in net investment income was primarily due to an increase in interest income, partially offset by an increase in operating expenses.

For the three months and nine months ended September 30, 2023 March 31, 2024, the net increase in net assets resulting from net investment income per common share was \$0.11 and \$0.37 (basic and diluted), compared to the net increase in net assets resulting from net investment income per share of \$0.11 and \$0.28 \$0.13 (basic and diluted) for the three and nine months ended September 30, 2022 March 31, 2023. The per share decrease was primarily due to a decrease in investment income, partially offset by a decrease in Net Investment Income Incentive Fees.

59

## Table of Contents

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

Net increase decrease in net assets resulting from operations for the three months ended September 30, 2023 March 31, 2024 was approximately \$6.7 \$1.8 million compared with a net decrease increase in net assets resulting from operations of approximately \$11.1 \$6.3 million for the three months ended September 30, 2022.

Net increase in net assets resulting from operations for the nine months ended September 30, 2023 was approximately \$24.5 million compared with a net decrease in net assets resulting from operations of approximately \$62.8 million for the nine months ended September 30, 2022 March 31, 2023.

For the three months ended September 30, 2023 March 31, 2024, the net increase decrease in net assets resulting from operations per common share was \$0.12 \$0.03 (basic and diluted), compared to a net decrease increase in net assets resulting from operations per share of \$0.22 \$0.13 (basic and diluted) for the three months ended September 30, 2022. For the nine months ended September 30, 2023, the net increase in net assets resulting from operations per common share was \$0.47 (basic and diluted), compared to a net decrease in net assets resulting from operations per share of \$1.26 (basic and diluted) for the nine months ended September 30, 2022 March 31, 2023.

### LIQUIDITY AND CAPITAL RESOURCES

As of September 30, 2023 March 31, 2024, cash and cash equivalents were approximately \$12.4 \$20.9 million as compared to approximately \$9.0 \$5.7 million as of December 31, 2022 December 31, 2023. For the nine three months ended September 30, 2023 March 31, 2024, net cash provided by operating activities for the period, consisting primarily of the items described in "— Results of Operations," was approximately \$55.7 \$20.3 million, largely reflecting proceeds from repayments of principal repayments of approximately \$17.9 million, net realized losses of approximately \$8.1 million, and sales of investments of approximately \$30.8 \$1.4 million, partially offset by cash purchases of investments of approximately \$8.2 million and net change in unrealized appreciation of approximately \$21.9 \$8.1 million. For the nine three months ended September 30, 2023 March 31, 2024, net cash used in financing activities was approximately \$52.3 \$5.1 million, reflecting the principal repayment of the 6.50% Unsecured Notes of \$50.0 million and the payment of distributions of approximately \$22.7 \$6.1 million, partially offset by proceeds from the issuance of common stock in connection with our ATM program of approximately \$21.6 \$0.9 million.

### Contractual Obligations

A summary of our significant contractual payment obligations as of September 30, 2023 March 31, 2024 is as follows:

Contractual obligations (in millions)	Payments Due by Period	
		Payments Due by Period
		Less



Contractual obligations (in millions)	Principal Amount	Less Than 1 year	1 – 3 years	3 – 5 years	More Than 5 years	Principal Amount	than 1 year	1 – 3 years	3 – 5 years	More Than 5 years
6.50%										
Unsecured Notes	\$ 14.4	\$ 14.4	\$ —	\$ —	\$ —					
6.25%										
Unsecured Notes	44.8	—	44.8	—	—	\$ 44.8	\$ —	\$ 44.8	\$ —	\$ —
5.50%										
Unsecured Notes	80.5	—	—	80.5	—	80.5	—	—	80.5	—
	<u>\$ 139.7</u>	<u>\$ 14.4</u>	<u>\$ 44.8</u>	<u>\$ 80.5</u>	<u>\$ —</u>	<u>\$ 125.3</u>	<u>\$ —</u>	<u>\$ 44.8</u>	<u>\$ 80.5</u>	<u>\$ —</u>

Refer to "Note 6. Borrowings" in the notes to our financial statements.

#### Off-Balance Sheet Arrangements

In the normal course of business, we enter into a variety of undertakings containing a variety of warranties and indemnifications that may expose us to some risk of loss. The risk of future loss arising from such undertakings, while not quantifiable, is expected to be remote. As of **September 30, 2023** **March 31, 2024**, we did not have any commitments to purchase additional investments.

#### Share Issuance **Program and Repurchase Programs**

On August 22, 2023, we entered into Amendment No. 1 to that certain 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 **sold issued** a total of **1,427,423**

56

#### [Table of Contents](#)

324,122 shares of common stock pursuant to the ATM offering during the three months ended **September 30, 2023** **March 31, 2024**. The total amount of capital raised net of underwriting fees and offering costs was approximately **\$4.4 million** **\$923,000** during the three months ended **September 30, 2023** **March 31, 2024**.

60

**Table** **From time to time, the Board may authorize a share repurchase program under which shares are purchased in open market transactions. Since we are incorporated in Maryland, MGCL requires share repurchases to be accounted for as a share retirement. The cost of** **Contents** repurchased shares is charged against capital on the settlement date. During the three months ended **March 31, 2024** and **2023**, we were not authorized to repurchase any shares of outstanding common stock.

#### Borrowings

In accordance with the 1940 Act, with certain limited exceptions, as of **September 30, 2023** **March 31, 2024**, we were only allowed to borrow amounts such that our asset coverage, as defined in the 1940 Act, was at least 150%, immediately after such borrowing. As of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**, our asset coverage for borrowed amounts was approximately 213% and **171%** **219%**, respectively.

The weighted average stated interest rate and weighted average maturity on all of the Company's debt outstanding as of **September 30, 2023** **March 31, 2024**, were **5.84%** **5.77%** and **3.7** **3.5** years, respectively, and as of **December 31, 2022** **December 31, 2023**, were **6.02%** **5.77%** and **3.6** **3.8** years, respectively.



On April 12, 2017, we 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 will 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. The 6.50% Unsecured Notes are listed on the NASDAQ Global Select Market under the trading symbol "OXSQL."

On July 24, 2023, we repaid \$40.0 million in aggregate principal amount of the 6.50% Unsecured Notes. On September 11, 2023, we repaid \$10.0 million in aggregate principal amount of the 6.50% Unsecured Notes. For more information, see "— Recent Developments."

On April 3, 2019, we completed an underwritten public offering of approximately \$44.8 million in aggregate principal amount of 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."

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."

Refer to "Note 6. Borrowings" in the notes to our financial statements.

#### **Rights Offering**

On June 22, 2023, we completed a transferable rights offering. We issued to stockholders of record on May 23, 2023 one transferable right for each three shares of our common stock held on the record date. Each holder of rights was entitled to subscribe for one share of common stock for every right held at a subscription price of \$2.66 per share. On June 22, 2023, we issued a total of approximately 6.5 million shares. Gross proceeds were approximately \$17.2 million. Approximately 1.7 million shares were purchased in the rights offering by affiliates of Oxford Square Management.

#### **Distributions**

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

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, 2024** **October 15, 2025**, to file our federal income tax return for the year ended **December 31, 2023** **December 31, 2024**.

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#### [Table of Contents](#)

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 tax treatment. We cannot assure stockholders that they will receive any distributions.

[Table of Contents](#)

The following table reflects the cash distributions, including distributions reinvested, if any, per share that our Board has declared on our common stock since the beginning of 2022: 2023:

					Distributions in	
					Excess of/(Less	
					Than) GAAP	
					Net Investment	
Date Declared	Record Date	Payment Date	Total Distributions	GAAP Net Investment Income		
Fiscal 2024 <sup>(1)</sup>						
November 2, 2023	March 15, 2024	March 29, 2024	\$ 0.035	\$ N/A	\$	—
November 2, 2023	February 15, 2024	February 29, 2024	0.035	N/A		—
November 2, 2023	January 17, 2024	January 31, 2024	0.035	N/A		—
Total (First Quarter 2024)			0.105	— <sup>(3)</sup>		—
Fiscal 2023 <sup>(1)</sup>						
	December 15, 2023	December 29, 2023				
August 3, 2023			\$ 0.035	\$ N/A	\$	—
	November 16, 2023	November 30, 2023				
August 3, 2023			0.035	N/A		—
August 3, 2023	October 17, 2023	October 31, 2023	0.035	N/A		—
Total (Fourth Quarter 2023)			0.105	— <sup>(3)</sup>		—
	September 15, 2023	September 29, 2023				
August 3, 2023 <sup>(4)</sup>			\$ 0.120	\$ N/A	\$	—
	September 15, 2023	September 29, 2023				
April 25, 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		—
Total (Third Quarter 2023)			0.225	0.11		(0.12)
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		—
Total (Second Quarter 2023)			0.105	0.13		(0.03)
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		—
Total (First Quarter 2023)			0.105	0.13		(0.03)
Fiscal 2022						
	December 16, 2022	December 30, 2022				
July 21, 2022			\$ 0.035	\$ N/A	\$	—
	November 16, 2022	November 30, 2022				
July 21, 2022			0.035	N/A		—



July 21, 2022	October 17, 2022	October 31, 2022	0.035	N/A	—
Total (Fourth Quarter 2022)			0.105	0.13	(0.03)
	September 16, 2022	September 30, 2022			
April 21, 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	—
Total (Third Quarter 2022)			0.105	0.11	(0.01)
	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	—
Total (Second Quarter 2022)			0.105	0.09	0.02
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	—
Total (First Quarter 2022)			0.105	0.09	0.02
Total (2022)			\$ 0.42	\$ 0.42	\$ — <sup>(2)</sup>

			Distributions in Excess of/ (Less than) GAAP Net Investment		
Date Declared	Record Date	Payment Date	Total Distributions	GAAP Net Investment Income	GAAP Net Investment Income <sup>(1)</sup>
<b>Fiscal 2024<sup>(1)</sup></b>					
	September 16, 2024	September 30, 2024			
April 25, 2024			\$ 0.035	\$ N/A	\$ —
April 25, 2024	August 16, 2024	August 30, 2024	0.035	N/A	—
April 25, 2024	July 17, 2024	July 31, 2024	0.035	N/A	—
Total (Third Quarter 2024)			0.105	— <sup>(3)</sup>	—
	June 14, 2024	June 28, 2024	0.035	\$ N/A	—
March 14, 2024	May 17, 2024	May 31, 2024	0.035	N/A	—
March 14, 2024	April 16, 2024	April 30, 2024	0.035	N/A	—
Total (Second Quarter 2024)			0.105	— <sup>(3)</sup>	—
November 2, 2023	March 15, 2024	March 29, 2024	0.035	\$ N/A	—
	February 15, 2024	February 29, 2024			
November 2, 2023			0.035	N/A	—
November 2, 2023	January 17, 2024	January 31, 2024	0.035	N/A	—
Total (First Quarter 2024)			0.105	0.11	(0.01)
<b>Fiscal 2023<sup>(1)</sup></b>					
	December 15, 2023	December 29, 2023			
August 3, 2023			\$ 0.035	\$ N/A	\$ —
	November 16, 2023	November 30, 2023			
August 3, 2023			0.035	N/A	—
August 3, 2023	October 17, 2023	October 31, 2023	0.035	N/A	—



Total (Fourth Quarter 2023)			0.105	0.13	(0.03)
August 3, 2023	September 15, 2023	September 29, 2023	\$ 0.120 <sup>(4)</sup>	\$ 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	—
Total (Third Quarter 2023)			0.225	0.11 <sup>(3)</sup>	0.12
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	—
Total (Second Quarter 2023)			0.105	0.13 <sup>(3)</sup>	(0.03)
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	—
Total (First Quarter 2023)			0.105	0.13	(0.03)
Total (2023)			\$ 0.54	\$ 0.51 <sup>(2)</sup>	\$ 0.03 <sup>(2)</sup>

- (1) The tax characterization of cash distributions for the years year ending December 31, 2023 December 31, 2024 and 2024 year ended December 31, 2023 will not be known until the tax returns return for such years are finalized. For the years year ending December 31, 2023 December 31, 2024 and 2024, year ended 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 2023 2024 and 2024 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 our investment performance and may be subject to change based on tax regulations.

62

#### [Table of Contents](#)

- (2) Totals may not sum due to rounding.
- (3) We have not yet reported investment income for this period.
- (4) Special distribution.

58

#### [Table of Contents](#)

#### **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 Oxford Gate Master Fund, LLC, Oxford Gate, LLC and Oxford Gate (Bermuda), LLC (collectively, the “Oxford Gate Funds”) and Oxford Bridge II, LLC. Oxford Funds is the managing member of Oxford Gate Management, LLC. 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.
- 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. 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. 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, LLC.
- 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, LLC. 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, LLC. 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, LLC.

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, LLC 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 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

## Table of Contents

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 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 quarterly report on Form 10-Q.

## RECENT DEVELOPMENTS

The following distributions payable to stockholders are shown below:

Date Declared	Record Date	Payable Date	Per Share Distribution	
			Amount Declared	
August 3, 2023	October 17, 2023	April 30, 2024	\$0.035	
March 14, 2024	16, 2024	30, 2024	\$0.035	
August 3, 2023		November 30, 2023	\$0.035	
March 14, 2024	November 16, 2023		\$0.035	
August 3, 2023	December 15, 2023	December 29, 2023	\$0.035	
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	
November 2, 2023	April 25, 2024	July 17, 2024	\$0.035	
November 2, 2023	2024	2024	\$0.035	
November 2, 2023	2024	2024	\$0.035	



April 25, 2024	August 16, 2024	August 30, 2024	\$0.035
April 25, 2024	September 16, 2024	September 30, 2024	\$0.035

On October 4, 2023, we caused notices to be issued to the holders of our 6.50% Unsecured Notes regarding our exercise of our option to redeem, in part, the issued and outstanding 6.50% Unsecured Notes. We redeemed \$7.0 million in aggregate principal amount of the \$14.4 million in aggregate principal amount of outstanding 6.50% Unsecured Notes on November 3, 2023 (the "Redemption Date"). The Notes were redeemed at 100% of their principal amount (\$25 per Note), plus the accrued and unpaid interest thereon from September 30, 2023, to, but not including, the Redemption Date.

64 60

[Table of Contents](#)

### ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are subject to financial market risks, including changes in interest rates. As of September 30, 2023, all debt investments in our portfolio were at variable interest rates, representing approximately \$290.4 million in principal debt. As of September 30, 2023 March 31, 2024, all but three six 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. Although LIBOR ceased publication as of June 30, 2023, two of our investments still utilize LIBOR as of September 30, 2023, as rate resets had not yet occurred, and two of our investments will continue to use LIBOR on a synthetic basis until it ceases publication, which is expected to occur at the end of September 2024. 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 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.

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 September 30, 2023 March 31, 2024, 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 September 30, 2023 March 31, 2024. These hypothetical calculations are based on a model of the investments in our portfolio, held as of September 30, 2023 March 31, 2024, 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.

65

[Table of Contents](#)



Hypothetical Change in <b>SOFR Base Rates</b>	Estimated Percentage Change in Investment Income
Up 300 basis points	15.0 15.3%
Up 200 basis points	10.0 10.2%
Up 100 basis points	5.0 5.1%
Down 100 basis points	(5.0 5.1)%
Down 200 basis points	(10.0 10.2)%
Down 300 basis points	(15.0 15.3)%

#### ITEM 4. CONTROLS AND PROCEDURES.

##### (a) Evaluation of Disclosure Controls and Procedures

As of **September 30, 2023** **March 31, 2024** (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) and 15d-15(e) of the Securities Exchange Act of 1934, as amended). Based on that evaluation, our management, including the 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

61

##### [Table of Contents](#)

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 such possible controls and procedures.

##### (b) Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) that occurred during the quarter ended **September 30, 2023** **March 31, 2024**, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

66 62

##### [Table of Contents](#)

## PART II — OTHER INFORMATION

#### ITEM 1. LEGAL PROCEEDINGS.

We are not currently subject to any 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, if any, 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 1A. RISK FACTORS.



In addition to the other information set forth in this report, you should carefully consider the risk factors discussed in "Item 1A (Risk Factors) — Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 December 31, 2023. The risks described in our Annual Report on Form 10-K are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results. Other than the risk factors set forth below, there There have been no material changes known to us during the nine three months ended September 30, 2023 March 31, 2024, to the risk factors discussed in "Item 1A. — Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

#### **Risks related to the transition away from LIBOR.**

Following their publication on June 30, 2023, no settings of LIBOR continue to be published on a representative basis and publication of many non-U.S. dollar LIBOR settings has 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 large U.S. financial institutions, formally recommended replacing U.S.-dollar LIBOR with SOFR, a new index calculated by short-term repurchase agreements, backed by Treasury securities. In April 2018, the Bank of England 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. Further, on March 15, 2022, the 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 uniform benchmark replacement process for certain financial contracts that 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 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 and, in any case, could result in a reduction in the value of certain investments held by the Company.

## **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.**

### **Sales of Unregistered Equity Securities**

While we did not engage in unregistered sales of equity securities during the three months ended September 30, 2023 March 31, 2024, we issued 135,272 47,743 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 during the three months ended September 30, 2023 March 31, 2024 was approximately \$389,000. \$139,000.

67

[Table of Contents](#)

### **Issuer Purchases of Equity Securities**

During the three months ended September 30, 2023 March 31, 2024, no common stock was repurchased by the Company.



### ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

### ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

### ITEM 5. OTHER INFORMATION.

#### Rule 10b5-1 Trading Plans

During the fiscal quarter ended September 30, 2023, March 31, 2024, 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 Rule 10b5-1 trading arrangement."

63

#### [Table of Contents](#)

### ITEM 6. 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 [Articles of Incorporation \(Incorporated by reference to Exhibit a. to the Registrant's Registration Statement on Form N-2 \(File No. 333-109055\), filed on September 23, 2003\).](#)
- 3.2 [Articles of Amendment \(Incorporated by reference to Exhibit 3.1 to the Registrant's current report on Form 8-K filed December 3, 2007\).](#)
- 3.3 [Fourth Amended and Restated Bylaws \(Incorporated by reference to Exhibit 3.5 to the Registrant's report on Form 10-K filed on March 7, 2022\).](#)
- 3.4 [Articles of Amendment \(Incorporated by reference to Exhibit 3.1 to the Registrant's current report on Form 8-K filed March 20, 2018\).](#)
- 3.5 [Articles of Amendment \(Incorporated by reference to Exhibit 3.2 to the Registrant's current report on Form 8-K filed March 20, 2018\).](#)
- 4.1 [Form of Share Certificate \(Incorporated by reference to Exhibit d. to the Registrant's Registration Statement on Form N-2 \(File No. 333-109055\), filed on September 23, 2003\).](#)
- 31.1 [Certification of Chief Executive Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.\\*](#)
- 31.2 [Certification of Chief Financial Officer pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, as amended.\\*](#)
- 32.1 [Certification of Chief Executive Officer pursuant to section 906 of The Sarbanes-Oxley Act of 2002.\\*\\*](#)
- 32.2 [Certification of Chief Financial Officer pursuant to section 906 of The Sarbanes-Oxley Act of 2002.\\*\\*](#)

\* Filed herewith

\*\* Furnished herewith.

68 64

#### [Table of Contents](#)

### 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: November May 8, 2023 2, 2024

By: /s/ JONATHAN H. COHEN

**Jonathan H. Cohen**  
**Chief Executive Officer**  
**(Principal Executive Officer)**

Date: November May 8, 2023 2, 2024

By: /s/ BRUCE L. RUBIN

**Bruce L. Rubin**  
**Chief Financial Officer**  
**(Principal Accounting Officer)**

69 65

**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 quarterly report on Form 10-Q 10-Q 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) 13a-15(e) and 15d-15(e) 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) 13a-15(f) and 15d-15(f) 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 8<sup>th</sup> day of November, 2023

Dated this 2<sup>nd</sup> day of May, 2024

/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 quarterly report on Form 10-Q 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) 13a-15(e) and 15d-15(e) 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) 13a-15(f) and 15d-15(f) 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 8<sup>th</sup> day of November, 2023

Dated this 2<sup>nd</sup> day of May, 2024

/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 Quarterly Report on Form 10-Q 10-Q for the period ended September 30, 2023 March 31, 2024 (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: November May 8, 2023 2, 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 Quarterly Report on Form 10-Q 10-Q for the period ended September 30, 2023 March 31, 2024 (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: November May8, 20232, 2024**



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