

Oxford Lane Capital Corp. Announces Increase in Monthly Common Stock Distributions and Announces Net Asset Value and Selected Financial Results for the Second Fiscal Quarter

GREENWICH, Conn., Oct. 29, 2021 (GLOBE NEWSWIRE) -- Oxford Lane Capital Corp. (NasdaqGS: OXLC) (NasdaqGS: OXLCM) (NasdaqGS: OXLCO) (NasdaqGS: OXLCP) (NasdaqGS: OXLCL) ("Oxford Lane," the "Company," "we," "us" or "our") announced today the following financial results and related information:

- On October 28, 2021, our Board of Directors declared the following distributions on our common stock, representing an increase of 11% from our previous monthly distribution rate of \$0.0675 per share:

Month Ending	Record Date	Payment Date	Amount Per Share
January 31, 2022	January 17, 2022	January 31, 2022	\$0.075
February 28, 2022	February 14, 2022	February 28, 2022	\$0.075
March 31, 2022	March 17, 2022	March 31, 2022	\$0.075

- Net asset value ("NAV") per share as of September 30, 2021 stood at \$6.97, compared with a NAV per share on June 30, 2021 of \$6.56.

- Net investment income ("NII"), calculated in accordance with U.S. generally accepted accounting principles ("GAAP"), was approximately \$26.8 million, or \$0.24 per share, for the quarter ended September 30, 2021.
- Our core net investment income ("Core NII") was approximately \$41.0 million, or \$0.36 per share, for the quarter ended September 30, 2021.
 - Core NII represents NII adjusted for additional applicable cash distributions received, or entitled to be received (if any, in either case), on our collateralized loan obligation ("CLO") equity investments. **See additional information under "Supplemental Information Regarding Core Net Investment Income" below.**
 - We emphasize that our taxable income may materially differ from our GAAP NII and/or our Core NII, and that neither GAAP NII nor Core NII should be relied upon as indicators of our taxable income.
- Total investment income for the quarter ended September 30, 2021 amounted to approximately \$45.2 million, which represented an increase of approximately \$3.5 million from the quarter ended June 30, 2021.
 - For the quarter ended September 30, 2021 we recorded investment income from our portfolio as follows:
 - \$43.6 million from our CLO equity investments, and
 - \$1.6 million from our CLO debt investments and other income.
- Our total expenses for the quarter ended September 30, 2021 were approximately \$18.4 million, compared with total expenses of approximately \$16.4 million for the quarter ended June 30, 2021.

- As of September 30, 2021, the following metrics applied (note that none of these metrics represented a total return to shareholders):
 - The weighted average yield of our CLO debt investments at current cost was 13.3%, compared with 13.6% as of June 30, 2021.
 - The weighted average effective yield of our CLO equity investments at current cost was 16.3%, unchanged from 16.3% as of June 30, 2021.
 - The weighted average cash distribution yield of our CLO equity investments at current cost was 27.7%, unchanged from 27.7% as of June 30, 2021.
- For the quarter ended September 30, 2021, we recorded a net increase in net assets resulting from operations of approximately \$65.3 million, or \$0.58 per share, comprised of:
 - NII of approximately \$26.8 million;
 - Net realized gains of approximately \$5.8 million; and
 - Net unrealized appreciation of approximately \$32.7 million.
- During the quarter ended September 30, 2021, we made additional investments of approximately \$322.8 million, and received approximately \$89.7 million from sales and repayments of our CLO investments.
- For the quarter ended September 30, 2021, we issued a total of approximately 8.7 million shares of common stock pursuant to

an “at-the-market” offering. After deducting the sales agent’s commissions and offering expenses, this resulted in net proceeds of approximately \$62.0 million. As of September 30, 2021, we had approximately 117.6 million shares of common stock outstanding.

- On August 17, 2021, we completed an underwritten public offering of 2,400,000 shares of our newly designated 6.00% Series 2029 Term Preferred Stock at a public offering price of \$25 per share, raising approximately \$58.1 million in net proceeds. On August 24, 2021, an additional 286,900 shares were issued pursuant to an exercise of the over-allotment option granted to the underwriters, resulting in additional net proceeds of approximately \$6.9 million.
- On October 28, 2021, our Board of Directors declared the required monthly dividends on our 6.75% Series 2024 Term Preferred Shares (“Series 2024 Term Preferred Shares”), 6.25% Series 2027 Term Preferred Shares (“Series 2027 Term Preferred Shares”), and 6.00% Series 2029 Term Preferred Shares (“Series 2029 Term Preferred Shares”) (each, a “Share”) as follows:

Preferred Shares Type	Per Share Dividend Amount Declared		Record Dates	Payment Dates
Series 2024	\$	0.14062500	December 17, 2021, January 17, 2022, February 14, 2022	December 31, 2021, January 31, 2022, February 28, 2022
Series 2027	\$	0.13020833	December 17, 2021, January 17, 2022, February 14, 2022	December 31, 2021, January 31, 2022, February 28, 2022
Series 2029	\$	0.12500000	December 17, 2021, January 17, 2022, February 14, 2022	December 31, 2021, January 31, 2022, February 28, 2022

In accordance with their terms, each of the Series 2024 Term Preferred Shares, Series 2027 Term Preferred Shares and Series 2029 Term Preferred Shares will pay a monthly dividend at a fixed rate of 6.75%, 6.25% and 6.00%, respectively, of the \$25.00 per share liquidation preference, or \$1.6875, \$1.5625 and \$1.5000 per share per year, respectively. This fixed annual dividend rate is subject to adjustment under certain circumstances, but will not, in any case, be lower than 6.75%, 6.25% and 6.00% per year, respectively, for each of the Series 2024 Term Preferred Shares, Series 2027 Term Preferred Shares and Series 2029 Term Preferred Shares.

Supplemental Information Regarding Core Net Investment Income

We provide information relating to Core NII (a non-GAAP measure) on a supplemental basis. This measure is not provided as a substitute for GAAP NII, but in addition to it. Our non-GAAP measures may differ from similar measures by other companies, even in the event of similar terms being utilized to identify such measures. Core NII represents GAAP NII adjusted for additional applicable cash distributions received, or entitled to be received (if any, in either case), on our CLO equity investments. OXLC's management uses this information in its internal analysis of results and believes that this information may be informative in gauging the quality of OXLC's financial performance, identifying trends in its results and providing meaningful period-to-period comparisons.

Income from investments in the "equity" class securities of CLO vehicles, for GAAP purposes, is recorded using the effective interest method; this is based on an effective yield to the expected redemption utilizing estimated cash flows, at current cost, including those CLO equity investments that have not made their inaugural distribution for the relevant period end. The result is an effective

yield for the investment in which the respective investment's cost basis is adjusted quarterly based on the difference between the actual cash received, or distributions entitled to be received, and the effective yield calculation. Accordingly, investment income recognized on CLO equity securities in the GAAP statement of operations differs from the cash distributions actually received by the Company during the period (referred to below as "CLO equity adjustments").

Furthermore, in order for the Company to continue qualifying as a regulated investment company for tax purposes, we are required, among other things, to distribute at least 90% of our investment company taxable income annually. Therefore, Core NII may provide a better indication of our estimated taxable income for a reporting period than GAAP NII; we can offer no assurance that will be the case, however, as the ultimate tax character of our earnings cannot be determined until after tax returns are prepared at the close of a fiscal year. We note that this non-GAAP measure may not serve as a useful indicator of taxable earnings, particularly during periods of market disruption and volatility, and, as such, our taxable income may differ materially from our Core NII.

The following table provides a reconciliation of GAAP NII to Core NII for the three months ended September 30, 2021:

	Three Months Ended					
	September 30, 2021					
	Amount			Per Share		
				Amount		
GAAP Net investment income	\$	26,792,827		\$	0.236	
CLO equity adjustments	\$	14,241,804		\$	0.126	
Core Net investment income	\$	41,034,631		\$	0.362	

We will host a conference call to discuss our second quarter results today, Friday, October 29, 2021 at 9:00 AM ET. Please call [1-844-200-6205](tel:1-844-200-6205), access code number 681176 to participate. A recording of the conference call will be available for replay for approximately 30 days following the call. The replay number is [1-866-813-9403](tel:1-866-813-9403), and the replay passcode is 129144.

A presentation containing additional details regarding our quarterly results of operations has been posted under the Investor Relations section of our website at www.oxfordlanecapital.com.

About Oxford Lane Capital Corp.

Oxford Lane Capital Corp. is a publicly-traded registered closed-end management investment company principally investing in debt and equity tranches of collateralized loan obligation ("CLO") vehicles. CLO investments may also include warehouse facilities, which are financing structures intended to aggregate loans that may be used to form the basis of a CLO vehicle.

Forward-Looking Statements

This press release contains forward-looking statements subject to the inherent uncertainties in predicting future results and conditions. Any statements that are not statements of historical fact (including statements containing the words "believes," "plans," "anticipates," "expects," "estimates" and similar expressions) should also be considered to be forward-looking statements. These statements are not guarantees of future performance, conditions or results and involve a number of risks and uncertainties, including the impact of COVID-19 and related changes in base interest rates and significant market volatility on our business, our CLO investments, our industry and the global economy. Certain factors could cause actual results and conditions to differ materially from those projected

in these forward-looking statements. These factors are identified from time to time in our filings with the Securities and Exchange Commission. We undertake no obligation to update such statements to reflect subsequent events, except as may be required by law.

Contact:

Bruce Rubin

[203-983-5280](tel:203-983-5280)

Source: Oxford Lane Capital Corp.