

Oxford Lane Capital Corp. Announces Net Asset Value and Selected Financial Results as of December 31, 2017

February 8, 2018

GREENWICH, Conn., Feb. 08, 2018 (GLOBE NEWSWIRE) -- Oxford Lane Capital Corp. ("Oxford Lane", "Fund", "we", "us" or "our") (Nasdaq:OXLC) (Nasdaq:OXLCO) (Nasdaq:OXLCM) announced today the following financial results and related information:

- Net asset value per share as of December 31, 2017 stood at \$10.02 compared with a net asset value per share at September 30, 2017 of \$9.71.
- Net investment income ("NII"), calculated in accordance with generally accepted accounting principles ("GAAP"), was approximately \$10.5 million, or approximately \$0.41 per share, for the quarter ended December 31, 2017.
- Our core net investment income ("Core NII") was approximately \$8.4 million, or approximately \$0.33 per share, for the quarter ended December 31, 2017.
 - Core NII represents net investment income adjusted for additional cash income distributions received, or entitled to be received (if any, in either case), on our collateralized loan obligation ("CLO") equity investments (excluding those cash distributions believed to represent a return of capital). **(See additional information under "Supplemental Information Regarding Core Net Investment Income" below).**
 - While our experience has been that cash flow distributions have historically represented useful indicators of our CLO equity investments' annual taxable income during certain periods, we believe that current and future cash flow distributions may represent less accurate indicators of taxable income with respect to our CLO equity investments than they have in the past. Accordingly, our taxable income may be materially different than either NII or Core NII.
- Total investment income, calculated in accordance with GAAP, amounted to approximately \$19.0 million for the quarter ended December 31, 2017.
 - For the quarter ended December 31, 2017, we recorded total investment income from our portfolio as follows:
 - approximately \$18.0 million from our CLO equity investments, and
 - approximately \$1.0 million from our CLO debt investments, and other income.
 - The weighted average yield of our CLO debt investments at current cost was approximately 10.1% as of December 31, 2017.
 - The weighted average effective yield of our CLO equity investments at current cost was approximately 17.1% as of December 31, 2017.
 - The weighted average cash yield of our CLO equity investments at current cost was approximately 20.2% as of December 31, 2017.
- Net increase in net assets from operations was approximately \$18.7 million, or approximately \$0.73 per share, for the quarter ended December 31, 2017, including:
 - Net investment income of approximately \$10.5 million;
 - Net realized losses of approximately \$0.5 million; and
 - Net unrealized appreciation of approximately \$8.7 million.
- During the quarter ended December 31, 2017, we made additional CLO investments of approximately \$123.1 million.
- During the quarter ended December 31, 2017, we received approximately \$88.9 million from sales and repayments of our CLO investments.
- During the quarter ended December 31, 2017, we issued a total of 1,697,116 shares of common stock pursuant to an "at-the-market" offering, resulting in net proceeds of approximately \$16.8 million after deducting the sales agent's commissions and offering expenses.
- Our Board of Directors has declared the following distributions on our common stock:

Month Ending	Record Date	Payment Date	Amount Per Share
April 30, 2018	April 20, 2018	April 30, 2018	\$0.135
May 31, 2018	May 23, 2018	May 31, 2018	\$0.135
June 30, 2018	June 21, 2018	June 29, 2018	\$0.135

Our Board of Directors has also declared the required monthly dividends on our Series 2023 Term Preferred Shares and Series 2024 Term Preferred Shares (each, a "Share"), as follows:

Preferred Shares Type	Per Share Dividend Amount Declared	Record Dates	Payment Dates
Series 2023	\$ 0.156250	March 22, April 20, May 23	March 30, April 30, May 31
Series 2024	\$ 0.140625	March 22, April 20, May 23	March 30, April 30, May 31

In accordance with their terms, each of the Series 2023 Term Preferred Shares and Series 2024 Term Preferred Shares will pay a monthly dividend at a fixed rate of 7.50% and 6.75%, respectively, of the \$25.00 per share liquidation preference, or \$1.875 and \$1.6875 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 7.50% and 6.75% per year, respectively, for each of the Series 2023 Term Preferred Shares and Series 2024 Term Preferred Shares.

Supplemental Information Regarding Core Net Investment Income

On a supplemental basis, we provide information relating to core net investment income, which is a non-GAAP measure. This measure is provided in addition to, but not as a substitute for, net investment income determined in accordance with GAAP. Our non-GAAP measures may differ from similar measures by other companies, even if similar terms are used to identify such measures. Core net investment income represents net investment income adjusted for additional cash income distributions received, or entitled to be received (if any, in either case), on our CLO equity investments.

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

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

The following table provides a reconciliation of net investment income to core net investment income for the three months ended December 31, 2017:

	Three Months Ended December 31, 2017	
	Amount	Per Share Amount
Net investment income	\$ 10,525,153	\$ 0.410
CLO equity adjustments	(2,154,364)	(0.084)
Core net investment income	<u>\$ 8,370,789</u>	<u>\$ 0.326</u>

A presentation containing further detail regarding our quarterly results of operations has been posted to our website under the Investor Relations section at [Oxford Lane Presentation](#).

We will host a conference call to discuss our third fiscal quarter results today, Thursday, February 8, 2018 at 10:00 AM ET. The toll free dial-in number will be 1-844-792-3730. There will be a recorded replay of the call available for 30 days after the call. If you are interested in hearing the recording, please dial 1-877-344-7529. The replay pass-code number is 10116880.

About Oxford Lane Capital Corp.

Oxford Lane Capital Corp. is a publicly-traded registered closed-end management investment company. It currently seeks to achieve its investment objective of maximizing risk-adjusted total return by investing in securitization vehicles which, in turn, primarily invest in senior secured loans made to companies whose debt is unrated or is rated below investment grade.

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. 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, unless required to do so by law.

Contact:
Bruce Rubin

203-983-5280

Source: Oxford Lane Capital Corp.