



OFS

OFS Capital Corporation

Nasdaq: OFS (common stock)

Nasdaq: OFSSH (unsecured notes) PAR \$25 4.95% Notes due 2028

Institutional Notes: PAR \$2,000 4.75% Notes due 2026

Investor Presentation
May 2024

This presentation contains "forward looking statements" that are subject to risks and uncertainties. Forward-looking statements can be identified by terminology such as "anticipate," "believe," "could," "could increase the likelihood," "estimate," "expect," "intend," "is planned," "may," "should," "will," "will enable," "would be expected," "look forward," "may provide," "would" or similar terms, variations of such terms or the negative of those terms. Such forward-looking statements involve known and unknown risks, uncertainties and other factors including those risks, uncertainties and factors referred to in OFS Capital Corporation's (the "Company" or "OFS Capital") Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission ("SEC") under the section "Risk Factors," as well as other documents that may be filed by OFS Capital from time to time with the SEC. As a result of such risks, uncertainties and factors, actual results may differ materially from any future results, performance or achievements discussed in or implied by the forward-looking statements contained herein. OFS Capital is providing the information as of this date and assumes no obligations to update the information included in this presentation or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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OFS is a brand name and is meant to include Orchard First Source Asset Management Holdings, LLC, and its direct and indirect subsidiaries, including OFS Capital Management, LLC, OFS CLO Management, LLC and OFS CLO Management II, LLC, which are registered investment advisers, OFS Capital, a publicly traded business development company (NASDAQ "OFS"), OFS Credit Company, Inc., a publicly traded registered closed-end fund (NASDAQ "OCCI"), and their predecessor entities.

CIM Assets Owned and Operated (AOO) represents the aggregate assets owned and operated by CIM on behalf of partners (including where CIM contributes alongside for its own account) and co-investors, whether or not CIM has discretion, in each case without duplication.

Please note, changes in global, national, regional or local economic, demographic or capital market conditions (including those caused by the impacts of the ongoing war between Russia and Ukraine, the escalated armed conflict in the Middle East, rising interest and elevated inflation rates, instability in the U.S. and international banking systems, the risk of recession or a shutdown of U.S. government services and related market volatility) may continue to have a significant negative impact on our business, financial condition, results of operations and cash flows and those of our portfolio companies, including our and their ability to achieve our respective objectives.

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Overview

- » OFS Capital is a Nasdaq-listed BDC, primarily focused on lending to U.S. middle market companies

History

- » Raised ~\$100 million in 2012 IPO in addition to ~\$43 million contribution from adviser, OFS Capital Management¹
- » Raised \$53 million in 2017 equity follow-on offering

Senior Focused Portfolio

- » \$400 million investment portfolio² (\$410 million in total assets)³
- » ~100% of loan portfolio is senior secured loans^{2, 4}
- » Loan portfolio is diversified across 14 sectors and 43 distinct loan obligors – no material exposure to cyclical sectors

Flexible Capital Structure

- » \$148 million net asset value (\$11.08 per share)³
- » No near-term liquidity needs with 52% of our outstanding debt maturing in 2027 and beyond. Unsecured funding makes up 70% of liability mix; total weighted average cost of debt of 6.3%⁵

Strong Track Record

- » Since 2011, OFS Capital has invested ~\$1.9 billion with a cumulative net realized loss rate of ~2.5% as of March 31, 2024^{6, 7}

Alignment of Interest

- » Management team averages over 25 years managing credit through economic cycles
- » Insiders own ~23% of OFS Capital's common shares³

1. Includes OFS Capital Management, LLC, its parent company, Orchard First Source Asset Management Holdings, LLC ("OFSAM Holdings"), its predecessor entity, and its direct and indirect subsidiaries.

2. Based on fair value as of March 31, 2024.

3. As of March 31, 2024.

4. Senior secured loans are comprised of first lien, second lien and unitranche loans. Excludes structured finance securities.

5. Based on average outstanding principal drawn for the quarter ended March 31, 2024.

6. Investments for the years ended December 31, 2012 and 2011 give pro forma effect to OFS Capital's consolidation of OFS Capital WM, LLC as a result of the WM 2012 Credit Facility Amendments, as if the consolidation took place on January 1, 2011. Includes \$2.7 million realized gain from SBIC Fund acquisition.

7. Past performance is not indicative of future results.

First Quarter 2024 Highlights

- » Net investment income per share for the first quarter 2024 was \$0.42, an increase of \$0.07 per share compared to the prior quarter, primarily due to an increase in dividend income of \$2.4 million.
- » Net loss on investments per share for the first quarter of 2024 was \$1.09 and was primarily due to unrealized depreciation on a few issuer-specific portfolio companies.
- » Paid a quarterly distribution of \$0.34 per share on March 28, 2024, and declared a distribution of \$0.34 per share for the second quarter of 2024 payable on June 28, 2024 to stockholders of record as of June 18, 2024.¹
- » On March 1, 2024, OFS SBIC I, LP, fully repaid its outstanding SBA debentures totaling \$31.9 million that were contractually due March 1, 2025, and, on April 17, 2024, surrendered its license to operate as a small business investment company.

	Quarter Ended	
	March 31, 2024	December 31, 2023
Net Investment Income Per Share		
Net investment income	\$ 0.42	\$ 0.35
Net Realized/Unrealized Gain (Loss) Per Share		
Net realized gain (loss)	\$ 0.06	\$ (0.08)
Net unrealized loss	(1.15)	(0.58)
Net loss	\$ (1.09)	\$ (0.66)
Earnings (Loss) Per Share		
Earnings (loss)	\$ (0.67)	\$ (0.31)
Net Asset Value / Distributions Per Share		
Net asset value	\$ 11.08	\$ 12.09
Distributions paid	\$ 0.34	\$ 0.34

1. Distributions are not guaranteed. Past performance is not indicative of future results.

» Access to Infrastructure and Resources of Large Platform

- OFS benefits from shared services provided by CIM Group - owners and operators of \$29.2 billion of assets¹
- OFS Capital Management has \$4.0 billion in Assets Under Management (“AUM”)^{2, 3}
- Insiders own approximately 23% of OFS Capital’s common shares³

» History of Generating Income for Investors and a Low Realized Loss Experience

- \$14.33 per share in distributions paid since 2012 IPO⁴
- Since 2011, OFS Capital has invested ~\$1.9 billion with a cumulative net realized loss rate of ~2.5%^{3, 5, 7, 10}

» Senior Secured Focus with Earnings Growth Potential

- 91% of loans in loan portfolio are floating rate^{3, 6, 8}
- Seek to selectively make equity investments when we identify a strong opportunity - return on invested capital since inception of 1.75x for realized investments and 4.33x for unrealized investments⁷
- Potential to grow investment income as equity portfolio is rotated into higher income generating investments

» Attractive Financing

- Approximately 52% of our outstanding debt matures in 2027 and beyond^{3, 9}
- Unsecured bonds provide flexibility and wholly owned senior loan facility has non-recourse financing

1. See Important Disclosures on page 2 and, in particular, the section “CIM Assets Owned and Operated” for additional details.

2. Includes OFS Capital Management, LLC, its parent company, OFSAM Holdings, and its direct and indirect subsidiaries.

3. As of March 31, 2024.

4. Distributions are not guaranteed. Past performance is not indicative of future results.

5. Investments for the years ended December 31, 2012 and 2011 give pro forma effect to OFS Capital’s consolidation of OFS Capital WM, LLC as a result of the WM 2012 Credit Facility Amendments, as if the consolidation took place on January 1, 2011. Includes \$2.7 million realized gain from the SBIC Fund acquisition.

6. Based on fair value as of March 31, 2024.

7. Past performance is not indicative of future results.

8. Excludes structured finance securities.

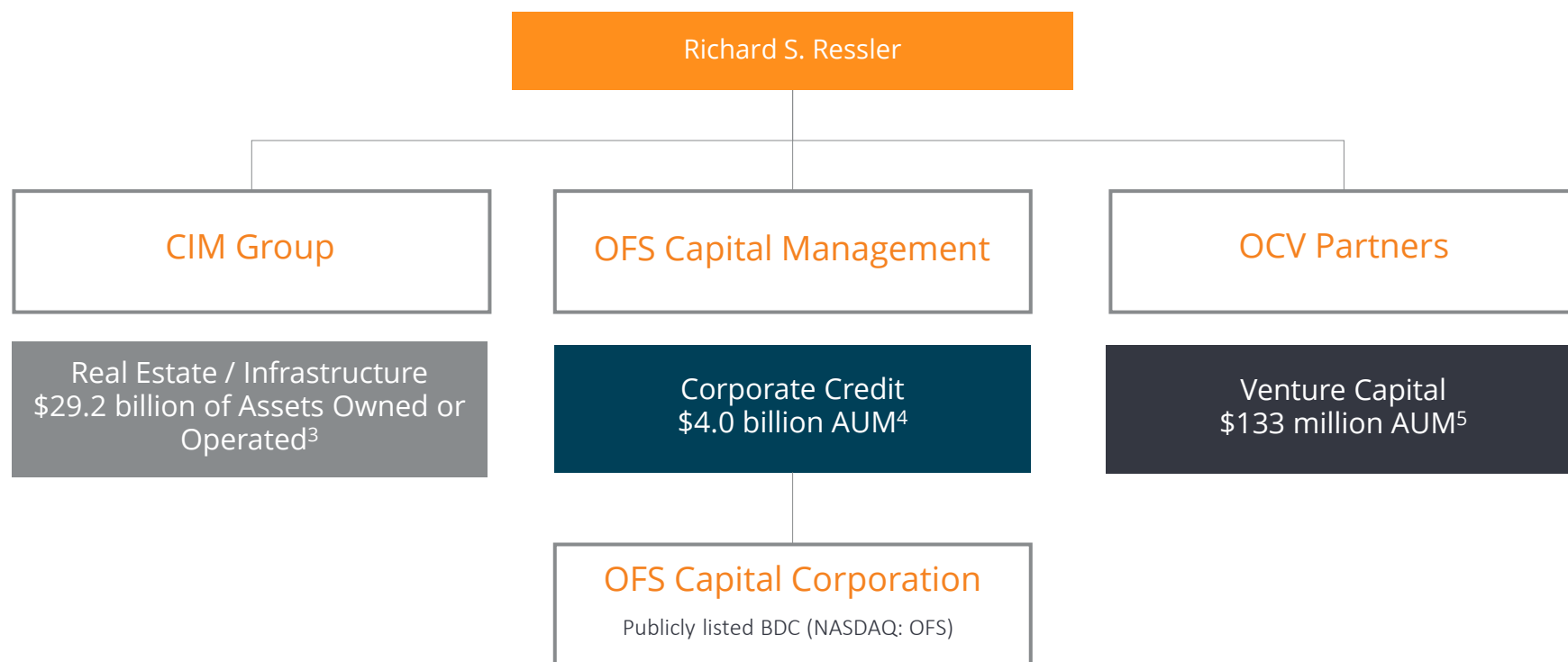
9. Based on outstanding principal drawn as of March 31, 2024.

10. Cumulative net realized gains (losses) represent the cumulative net gains (losses) realized on sold, significantly modified or restructured, or otherwise disposed investments. Cumulative net realized gains (losses) exclude the net unrealized appreciation (depreciation) on investments held by the Company as of the end of each reported period, and do not include interest, dividend or fee income, or fees and expenses that the Company paid over the period, which are disclosed in its financial statements.

Access to Infrastructure and Resources of Large Platform¹

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- » OFS is part of a group of affiliated firms controlled by Richard Ressler that own, operate and manage approximately \$33 billion of real assets and corporate credit
- » Since 1994, OFS Capital Management² has invested approximately \$23 billion in more than 11,000 transactions and has offices in Chicago, Los Angeles and New York City



1. Despite Mr. Ressler's involvement in each, none of CIM, OFS, or Orchard Capital Ventures has the benefit of any cross-guarantee. None of these entities are entitled to draw on the capital of any other, and no guarantee of the liabilities of any such entity by any other such entity should be inferred from their relationship.
2. Includes OFSAM Holdings, its predecessor entity, and its direct and indirect subsidiaries.
3. As of December 31, 2023. See Important Disclosures on page 2.
4. As of March 31, 2024.
5. As of December 31, 2023.

- » Investing across the U.S. corporate loan market
- » Seasoned investment team with diverse skill set - dedicated industry analysts and loan and CLO structuring expertise

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\$4.0 Billion
Assets Under Management^{1,2}
50+ Professionals

Middle Market Lending

- » Primarily invests in senior secured, floating rate loans to US based middle-market borrowers
- » “OFS” - Publicly listed BDC
- » Hancock Park Corporate Income, Inc. - Non-listed BDC

Structured Credit Investing

- » Structure and invest in CMBs, CLO equity and debt
- » “OCCI” – Publicly listed closed end fund
- » SMAs/Sub-advised accounts

Broadly Syndicated Loans

- » Invests in broadly syndicated loans, primarily in the 1st lien, senior secured tranches of the capital structure
- » CLOs
- » SMAs/Sub-advised accounts

OFS Platforms

BDCs

Closed-end Listed Fund

SMAs/Sub-advised accounts

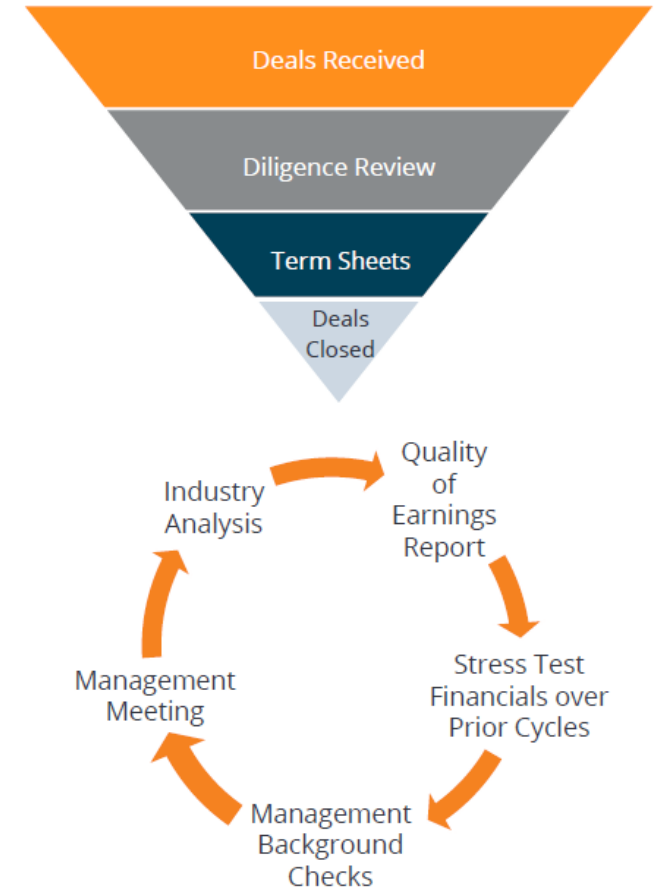
CLO Funds

1. As of March 31, 2024.

2. Includes approximately \$192 million of AUM in proprietary investments.

Proprietary Loan Origination Capabilities Driven by Deep Relationships Across the Middle Market

- » National footprint with offices in Chicago, New York and Los Angeles
- » Long-standing relationships with financial sponsors, intermediaries, and business owners
- » Large database of contacts (10,000+ industry contacts)
- » Has the potential to lead to stronger loan selection and lender protections
 - Strong covenants
 - Low leverage levels
- » Proven ability to effectively handle due diligence and manage loans
- » Access to highly experienced team of investment professionals
- » Experienced management team that has underwritten through multiple credit cycles
- » While we primarily invest in senior secured loans, our investment strategy allows us to selectively make equity investments when we identify a strong opportunity
- » Return on invested capital on equity investments of 1.75x for realized investments and 4.33x for unrealized investments since inception¹



1. Past performance is not indicative of future results.

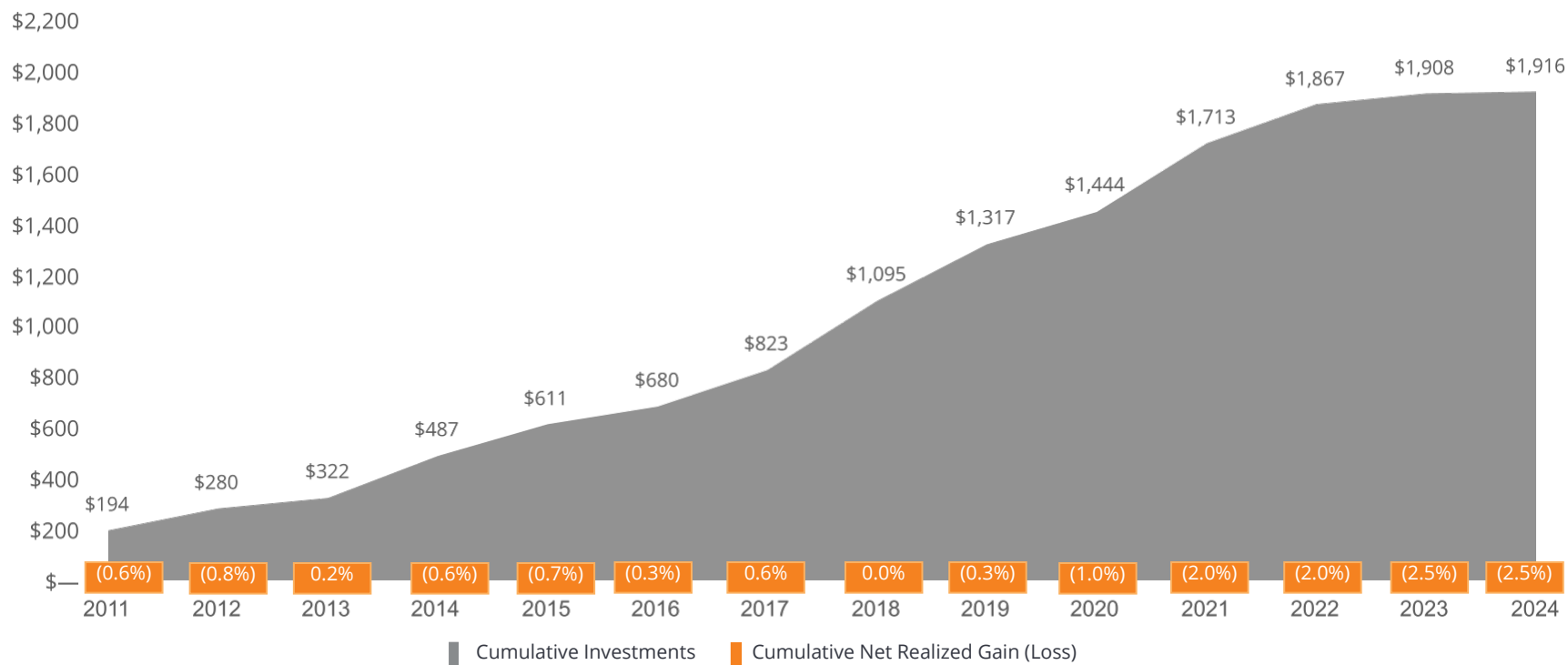
Strong Performance Track Record

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» Since inception, OFS Capital has incurred cumulative net realized losses of only ~2.5%¹

Cumulative Investments, Net Realized Gain (Loss) since 2011^{1, 2, 3}

(dollars in millions; excludes Interest and fee Income)

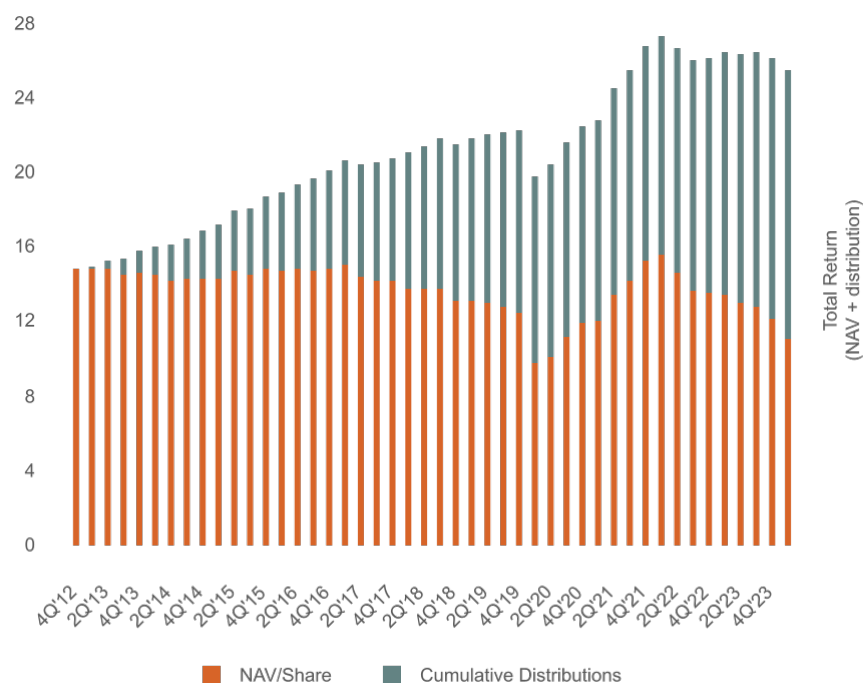


1. Cumulative realized gains (loss) for the years ended December 31, 2012 and 2011 give pro forma effect to OFS Capital's consolidation of OFS Capital WM, LLC as a result of the WM 2012 Credit Facility Amendments, as if the consolidation took place on January 1, 2011. Includes \$2.7 million realized gain from the SBIC Fund acquisition. The cumulative net realized losses were calculated as cumulative net realized losses incurred for the period from January 1, 2011 through March 31, 2024 (approximately \$46.9 million), divided by cumulative originations for the same periods (approximately \$1.9 billion).
2. Data is through March 31, 2024. Past performance is not indicative of future results.
3. Cumulative net realized gains (losses) represent the cumulative net gains (losses) realized on sold, or otherwise disposed investments. Cumulative net realized gains (losses) exclude the net unrealized appreciation (depreciation) on investments held by the Company as of the end of each reported period, and do not include interest, dividend or fee income, or fees and expenses that the Company paid over the period, which are disclosed in its financial statements.

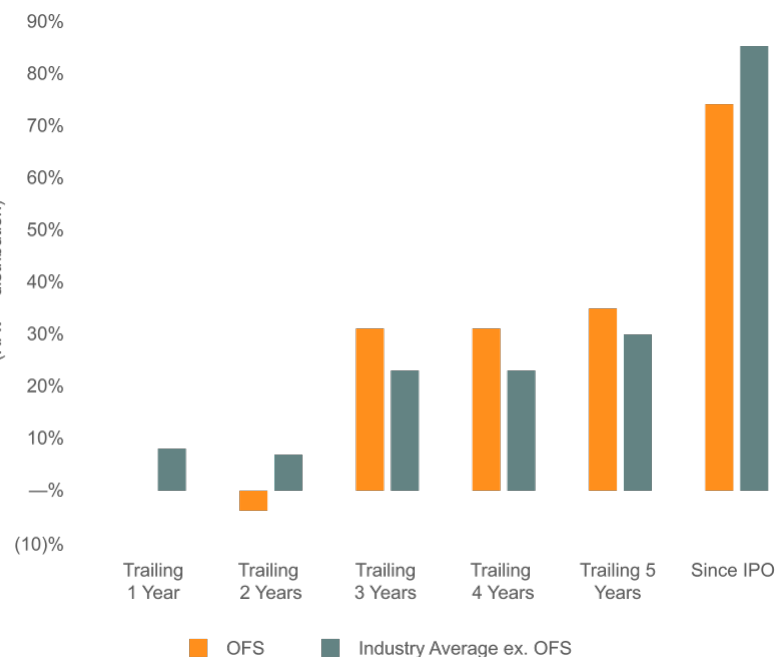
Strong Performance Track Record



NAV Per Share + Cumulative Distributions¹



OFS Capital Historical Performance^{1, 2} Total return compared with industry



\$14.33 Per Share in Distributions Paid since 4Q'12 IPO¹

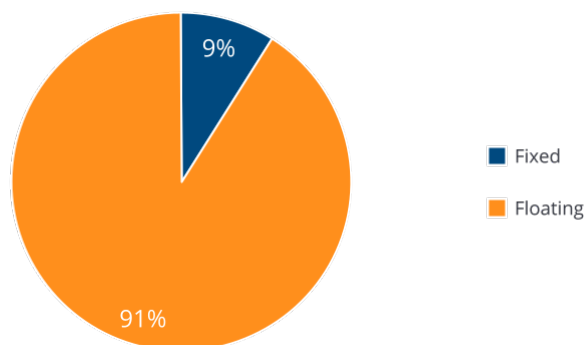
1. Distributions are not guaranteed. Past performance is not indicative of future results.

2. Performance data is as of 4Q'23. Industry Average data obtained from S&P Capital IQ for all externally managed BDCs. This average is simple and not weighted by market capitalization. IPO was consummated on November 14, 2012.

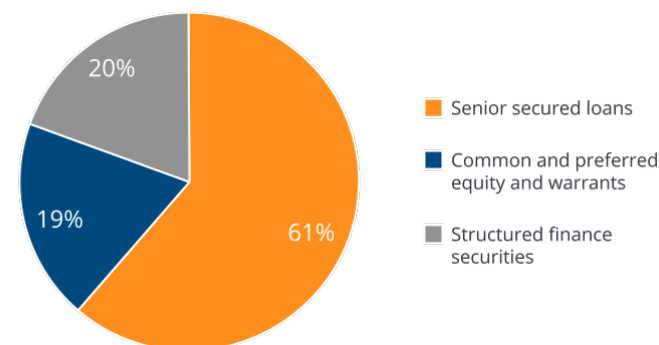
Diversified & Senior Secured Focused Portfolio¹

- » ~100% of the loan portfolio and ~61% of all investments are deployed in senior secured loans with strong structural protections.
- » While we primarily invest in senior secured loans, our investment strategy allows us to invest in equity securities and structured finance securities when we identify strong opportunities.

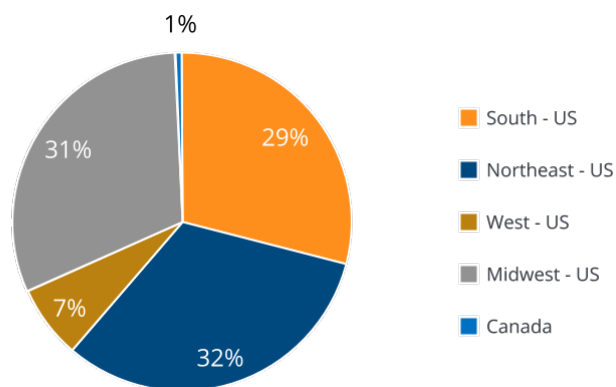
Interest Rate Type on Loans



Senior Loan Focus²



Portfolio Diversification by Region³



1. Based on fair value as of March 31, 2024.

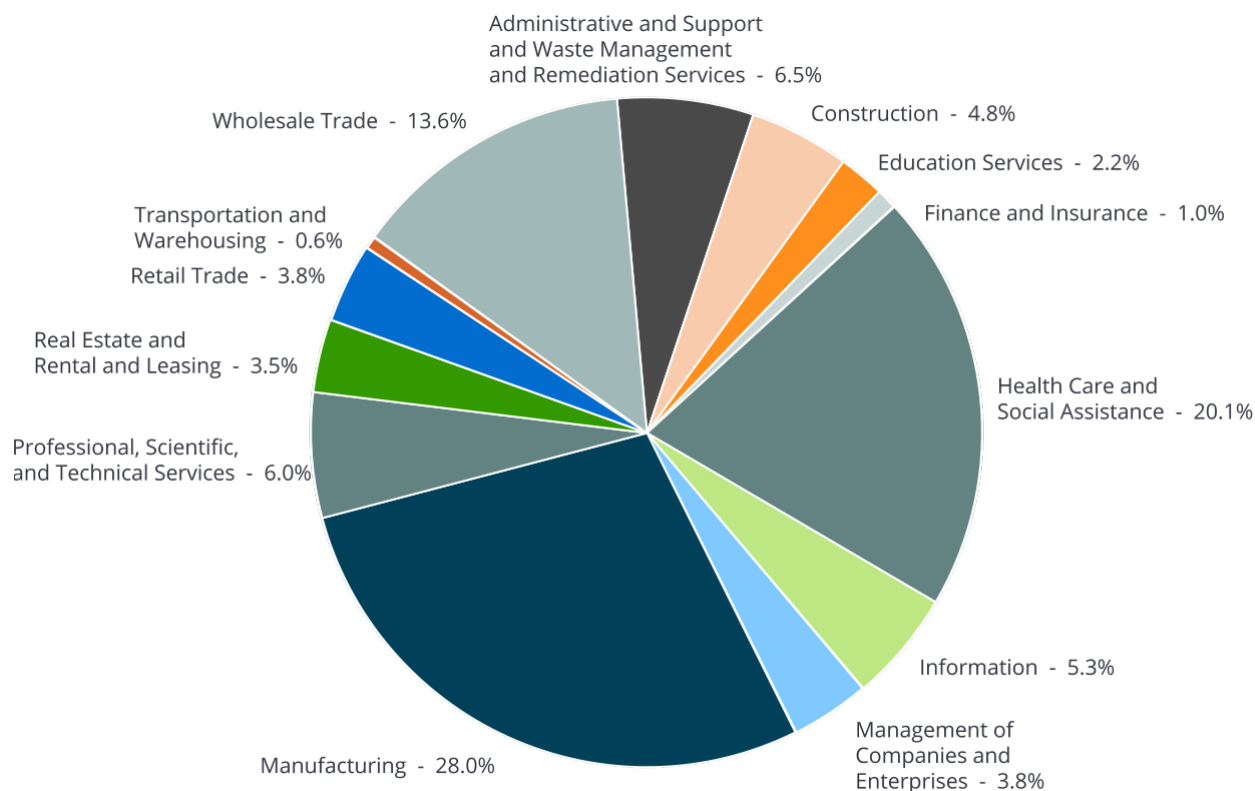
2. Includes subordinated loans which round to less than 0.5% of the portfolio.

3. Excludes investments in structured finance securities.

Diversified & Senior Secured Focused Portfolio (cont'd)

- » \$323 million invested in portfolio companies¹
- » 53 portfolio companies / ~\$6.1 million average investment¹
- » No material exposure to cyclical sectors (no direct oil and gas exposure)

Portfolio Company Investments^{1, 2}
Diversified & Senior Focused



1. Based on fair value as of March 31, 2024. A debt or equity investment in a portfolio company. Excludes investments in structured finance securities.

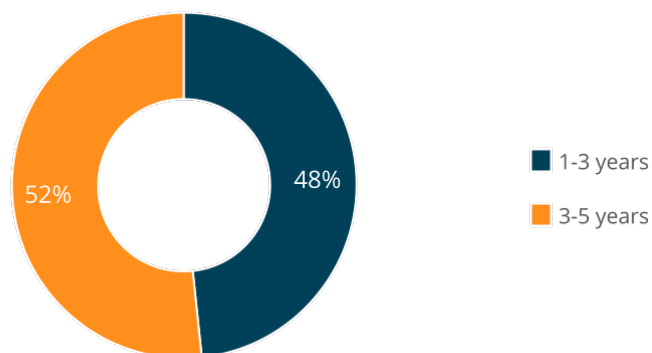
2. Percentages may not sum to 100% due to rounding. Chart does not display the public administration sector which represents less than 0.1% of the portfolio.

Debt Capital Summary as of March 31, 2024

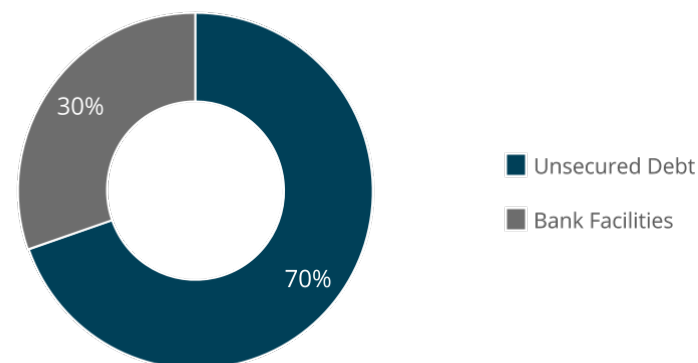
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Funding	Debt Commitment (in millions)	Outstanding Par (in millions)	Undrawn Commitment (in millions)	Stated Maturity	Early Redemption Date	Coupon ¹
Unsecured Notes:						
2026 Unsecured Notes	\$ 125.0	\$ 125.0	N/A	Feb-26	N/A - Make Whole	4.75%
2028 Unsecured Notes	55.0	55.0	N/A	Oct-28	Oct-23	4.95%
Unamortized debt issuance costs	(2.4)					
Bank Facilities:						
Banc of California Facility ^{2, 4}	\$ 25.0	\$ —	\$ 25.0	Feb-26	N/A	N/A
BNP Paribas Bank Facility ^{3, 4}	150.0	78.5	71.5	Jun-27	N/A	7.99%

Debt Mix by Remaining Term^{5, 6}



Debt Mix by Vehicle Type⁵



- Excludes deferred upfront commitment and leverage fees and other deferred offering costs that are amortized over the life of the applicable debt instruments. Represents the weighted average stated cash interest rate on outstanding balances at period end.
- Formerly known as Pacific Western Bank. On December 15, 2023, the Company amended the Banc of California Credit Facility to: (i) extend the maturity date from February 28, 2024 to February 28, 2026; (ii) increase the interest rate floor from 4.00% to 5.00%; and (iii) eliminate the 0.50% unused line fee and replaces it with an annual commitment fee of 0.50%.
- On June 24, 2022, the Company amended the BNP Facility to, among other things: (i) extend the maturity date by two years to June 20, 2027; and (ii) convert the benchmark interest rate from LIBOR to SOFR, with an increase in the applicable margin floor from 1.925% to 2.65%.
- The undrawn commitment is limited by a borrowing base, advance rates, and other factors specified in the credit agreements as well as regulatory limits on the Company's leverage. The undrawn commitment may be less than the stated capacity in the agreements. Based on fair values and equity capital at March 31, 2024, we could access approximately \$19.2 million of the undrawn commitments on our two bank facilities and remain in compliance with our asset coverage requirements.
- Based on outstanding par. Percentages may not sum to 100% due to rounding.
- Chart does not display the Banc of California Facility (formerly known as Pacific Western Bank) due to no outstanding balance as of March 31, 2024.

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Appendices

Experienced Leadership of OFS Capital Management



- » Experienced management team that has underwritten through multiple business cycles
- » Well-aligned with approximately 23% insider ownership vs. BDC sector median of 2%¹

Richard Ressler Chairman of Investment Committee

- » Founder and President of Orchard Capital Corporation, a firm through which Mr. Ressler oversees companies in which Orchard Capital or its affiliates invest
- » Co-Founder and Chairman of the Executive Committee of OFSAM Holdings
- » Serves as the Executive Chairman of CIM Group and as an officer of various affiliates of CIM Group
- » Chairman of Creative Media & Community Trust (NASDAQ: CMCT)

Bilal Rashid Chairman & CEO

- » Co-Founder of OFSAM Holdings
- » President of OFS Capital Management and a member of the investment and executive committees
- » Previously served as Managing Director in the global markets and investment banking division of Merrill Lynch
- » Also held positions with Natixis, CIBC, Lehman Brothers and the International Finance Corporation

Jeff Cerny Chief Financial Officer

- » Co-Founder of OFSAM Holdings
- » Senior Managing Director and Chief Financial Officer of OFS Capital Management and a member of the investment and executive committees
- » Previously served as Deputy Division Head of Sanwa Business Credit's Asset Management Division

1. Represents the median insider ownership percentage of all public BDCs; Source: SNL Financial.

2. As of March 31, 2024.

Robust Legal and Corporate Governance Framework



Top Tier Industry Partners	<ul style="list-style-type: none">» OFS Capital's counsel is Eversheds Sutherland, a top-tier global law firm with over 3,000 attorneys» OFS Capital's auditing firm is KPMG, a leading audit, tax, and consulting firm, a "big four" accounting firm in the United States
Strong Independent Board Oversight	<ul style="list-style-type: none">» As required by the Investment Company Act of 1940, OFS Capital has a majority of independent directors on its board» The Board's Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee are comprised solely of independent directors» The Board meets throughout the year. Under Rule 2a-5, the Board designated OFS Capital Management as the valuation designee to perform fair value determinations relating to OFS Capital's investments. In order for the Board to maintain oversight, OFS Capital Management implemented the required reporting elements as prescribed in Rule 2a-5.» A majority of OFS Capital's board is comprised of female and minority professionals
SEC Regulated Entity	<ul style="list-style-type: none">» Subject to the Investment Company Act of 1940, which among other things, places limitations on the incurrence of leverage» Frequent public reporting requirements overseen by engaged Disclosure and Audit Committees» Limitations on transactions with affiliates to prevent conflicts
Valuation Process	<ul style="list-style-type: none">» Performed quarterly by reputable third-party valuation providers and pricing services» Valuations are performed in accordance with ASC 820 and utilize relevant applicable methodologies including the yield approach, market approach, etc. for Level 3 investments
Robust Compliance	<ul style="list-style-type: none">» Overseen by an experienced legal and compliance team

Condensed Consolidated Balance Sheets



	Quarter Ended				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
(\$ in thousands, except per share data)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)
Assets					
Investments, at fair value	\$ 400,414	\$ 420,287	\$ 457,247	\$ 494,579	\$ 499,759
Cash	6,092	45,349	15,942	6,829	10,773
Other assets	3,963	4,182	3,793	4,498	4,951
Total assets	<u>\$ 410,469</u>	<u>\$ 469,818</u>	<u>\$ 476,982</u>	<u>\$ 505,906</u>	<u>\$ 515,483</u>
Liabilities					
SBA debentures ¹	\$ —	\$ 31,900	\$ 31,870	\$ 45,805	\$ 45,762
Unsecured notes ¹	177,577	177,333	177,088	176,843	176,598
Revolving line of credit – BNP Paribas	78,500	90,500	91,100	101,100	101,000
Revolving line of credit – BOC	—	—	—	500	5,000
Other liabilities	5,992	8,081	6,256	8,236	7,315
Total liabilities	<u>262,069</u>	<u>307,814</u>	<u>306,314</u>	<u>332,484</u>	<u>335,675</u>
Net assets	<u>148,400</u>	<u>162,004</u>	<u>170,668</u>	<u>173,422</u>	<u>179,808</u>
Total liabilities and net assets	<u>\$ 410,469</u>	<u>\$ 469,818</u>	<u>\$ 476,982</u>	<u>\$ 505,906</u>	<u>\$ 515,483</u>
Shares outstanding	13,398,078	13,398,078	13,398,078	13,398,078	13,398,078
Net asset value per share	\$ 11.08	\$ 12.09	\$ 12.74	\$ 12.94	\$ 13.42
GAAP leverage ratio	1.74x	1.87x	1.78x	1.89x	1.85x
Regulatory leverage ratio	1.74x	1.67x	1.59x	1.62x	1.59x
Regulatory asset coverage ratio ²	157%	160%	163%	162%	163%

1. Net of any unamortized discounts and deferred financing fees.

2. 150% minimum regulatory requirement. SBA debentures are excluded from this regulatory ratio.

Condensed Consolidated Statements of Operations

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	Quarter Ended (unaudited)				
	3/31/2024	12/31/2023	9/30/2023	6/30/2023	3/31/2023
(\$ in thousands, except per share data)					
Investment income					
Interest income	\$ 11,393	\$ 12,883	\$ 14,291	\$ 14,101	\$ 13,393
Dividend income	2,711	342	334	334	785
Fee income	129	257	26	91	105
Total investment income	14,233	13,482	14,651	14,526	14,283
Expenses					
Interest expense	4,572	4,684	4,913	5,011	4,874
Management fees	1,523	1,645	1,796	1,883	1,894
Incentive fee - net investment income	1,399	1,174	1,348	1,280	1,238
Other expenses	1,143	1,283	1,204	1,229	1,327
Total expenses	8,637	8,786	9,261	9,403	9,333
Net investment income	5,596	4,696	5,390	5,123	4,950
Net realized gain (loss) from investments	798	(1110)	118	(10,408)	(4)
Net unrealized appreciation (depreciation) on investments	(15,443)	(7,695)	(3,513)	3,321	(1,121)
Net loss on investments	(14,645)	(8,805)	(3,395)	(7,087)	(1,125)
Loss on extinguishment of debt	—	—	(194)	—	(19)
Net increase (decrease) in net assets resulting from operations	\$ (9,049)	\$ (4,109)	\$ 1,801	\$ (1,964)	\$ 3,806
Net investment income per common share - basic and diluted ¹	\$ 0.42	\$ 0.35	\$ 0.40	\$ 0.38	\$ 0.37
Net loss on investments, per share ¹	\$ (1.09)	\$ (0.66)	\$ (0.25)	\$ (0.53)	\$ (0.09)
Loss on extinguishment of debt per share ¹	\$ —	\$ —	\$ (0.01)	\$ —	\$ —
Net increase (decrease) in net assets resulting from operations per common share - basic and diluted ¹	\$ (0.67)	\$ (0.31)	\$ 0.14	\$ (0.15)	\$ 0.28
Distributions declared per common share	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.33	\$ 0.33
Basic and diluted weighted average shares outstanding	13,398,078	13,398,078	13,398,078	13,398,078	13,398,078
Annualized return on average equity - net investment income	14.4 %	11.3%	12.5%	11.6%	11.0%
Annualized return on average equity - net change in net assets from operations	(23.3) %	(9.9%)	4.2%	(4.4%)	8.5%

1. Based on weighted average shares outstanding for the respective period.