



OFS

OFS Capital Corporation

Nasdaq: OFS (common stock)

Nasdaq: OFSSL, OFSSZ, OFSSI and OFSSG (unsecured notes)

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

Investor Presentation
March 2021

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, 2020 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, LLC, its direct or indirect subsidiaries including OFS Capital Management, LLC and OFS CLO Management, LLC, which are registered investment advisers, OFS Capital Corporation, 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 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 as a result of the outbreak of the novel strain of coronavirus (COVID-19) that began in the fourth quarter of 2019) has, and 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.

Overview	» OFS Capital is a Nasdaq-listed BDC primarily focused on lending to U.S. middle market companies
History	<ul style="list-style-type: none"> » 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	<ul style="list-style-type: none"> » \$442 million investment portfolio² (\$484 million total assets)³ » 95% of loan portfolio is senior secured loans^{2,3,4} » Portfolio diversified across 15 sectors and 65 distinct obligors – no material exposure to cyclical sectors (no direct oil and gas exposure)
Flexible Capital Structure	<ul style="list-style-type: none"> » \$159 million net asset value (\$11.85 per share)³ » No near-term liquidity needs with 90% of debt maturing in 2024 and beyond. Low reliance on secured borrowing, with unsecured funding making up 56% of liability mix; total weighted average cost of debt of 5.49%⁵
Strong Track Record	» Since 2011, OFS Capital has invested ~\$1.4 billion with an annualized net realized loss rate of 10bps as of December 31, 2020 ^{6,7}
Alignment of Interest	<ul style="list-style-type: none"> » Management team averaging over 20 years managing credit through economic cycles » OFS Capital Management owns ~22% of OFS Capital's common shares^{1,3}

¹ Includes OFS Capital Management, LLC, its parent company, Orchard First Source Asset Management, LLC ("OFSAM"), its predecessor entity, as well as other wholly-owned subsidiaries of OFSAM.

² Based on fair value.

³ As of December 31, 2020.

⁴ Excludes structured finance notes.

⁵ Based on average principal drawn for the three months ended December 31, 2020.

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.

Fourth Quarter 2020 Highlights¹



- » Net asset value per share increased by nearly 6%; \$11.85 per share at December 31, 2020.
- » Fourth quarter net investment income of \$3.0 million, or \$0.22 per common share. This compares to net investment income of \$0.20 per share for the quarter ended September 30, 2020, and a dividend of \$0.18 per share.
- » Full year 2020 net investment income of \$12.3 million, or \$0.92 per common share - providing a 107% dividends coverage.
- » No additional loans were placed on non-accrual status in the quarter.
- » SBA debentures were permanently reduced by \$23.5 million during the quarter and were additionally reduced by \$9.8 million on January 5, 2021.

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 \$29.3 billion of assets¹
- OFS Capital Management has \$2.1 billion in Assets Under Management (“AUM”) and owns 22% of OFS Capital’s common shares^{2,3}

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

- \$ 10.58 per share in distributions declared since 2012 IPO⁵
- Since 2011, OFS Capital has invested ~\$1.4 billion with an annualized net realized loss rate of 10bps ^{4,5,6,11}

» Senior Secured Focus With Earnings Growth Potential

- 96% of loans in loan portfolio are floating rate^{4,7,8}
- Potential to grow investment income as portfolio is rotated into higher income generating investments

» Attractive Financing

- 87% of total debt matures in 2024 and beyond^{4,9,10}
- Unsecured bonds provide flexibility and wholly owned senior loan facility has non-recourse financing

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

2. Includes OFS Capital Management, LLC, its parent company, Orchard First Source Asset Management, LLC (“OFSAM”), its predecessor entity, as well as other wholly-owned subsidiaries of OFSAM.

3. AUM is preliminary as of December 31, 2020. Calculated in accordance with the Investment Advisers Act of 1940, as amended.

4. As of December 31, 2020.

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

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. Based on fair value.

8. Excludes structured finance notes.

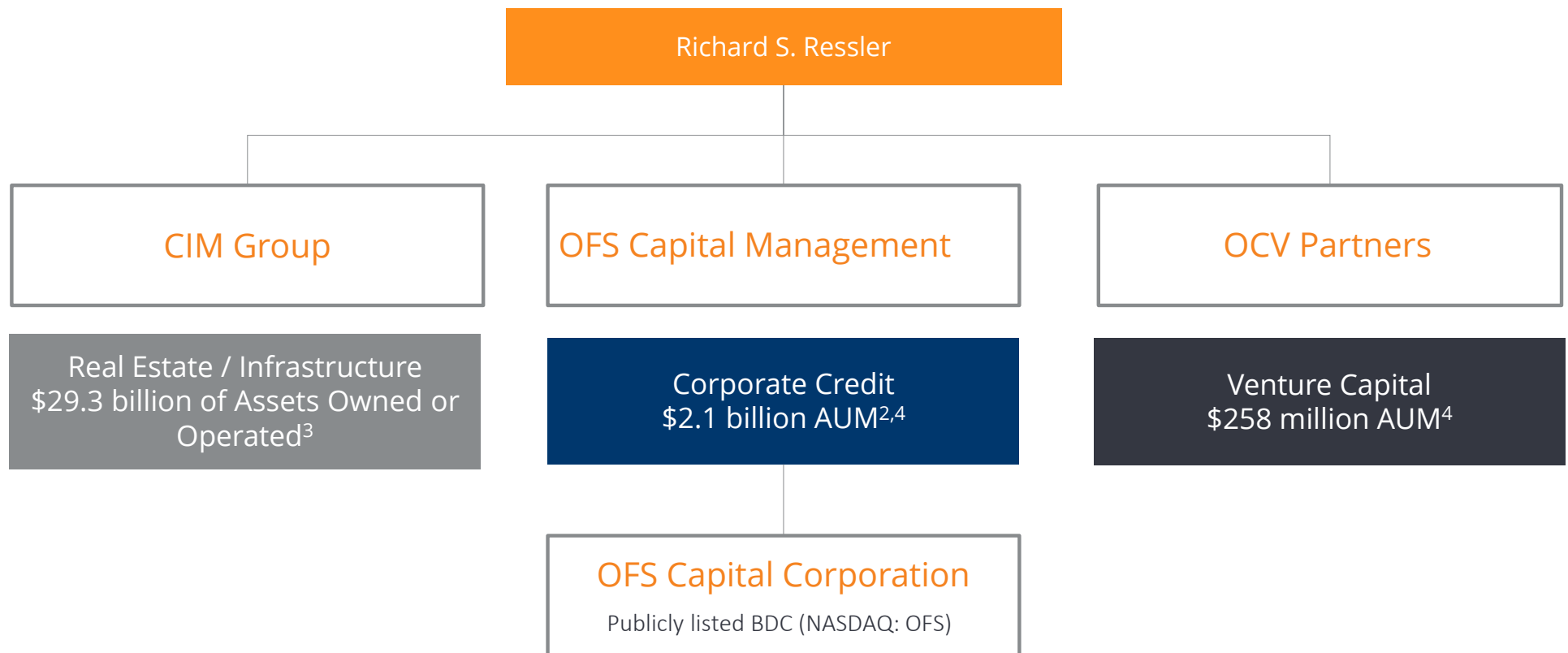
9. Based on principal drawn as of December 31, 2020.

10. The SBIC intends, over time, to repay its outstanding SBA debentures prior to the scheduled maturity date of its debentures.

11. 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) excludes the net unrealized appreciation (depreciation) on investments held by the Company as of the reported period ends, and does 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 **OFS**

- » OFS is part of a group of affiliated firms controlled by Richard Ressler that own, operate and manage more than \$30 billion of real assets and corporate credit
- » Since 1994, OFS Capital Management² has invested over \$17.4 billion in more than 7,400 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 Orchard First Source Asset Management, LLC, its predecessor entity, and its direct or indirect subsidiaries.

³ As of September 30, 2020. See Important Disclosures on page 1.

⁴ AUM is preliminary as of December 31, 2020. Calculated in accordance with the Investment Advisers Act of 1940, as amended.

- » 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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\$2.1 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 - Non-listed BDC

Structured Credit Investing

- » Structure and invest in CMBSS, CLO equity and debt
- » "OCCI" - Publicly listed closed end fund
- » Separately Managed Accounts "SMAs"/Sub-advised accounts

Broadly Syndicated Loans

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

OFS Platforms

BDCs

Closed-end Listed Fund

SMAs/Sub-advised accounts

CLO Facilities

1. AUM is preliminary and includes an affiliated adviser and is preliminary as of December 31, 2020. Calculated in accordance with the Investment Advisers Act of 1940, as amended.

2. Includes approximately \$67 million of AUM in separately managed accounts, including proprietary investments.

Quality Origination, Underwriting and Monitoring Process

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- » Proprietary Loan Origination Capabilities...
- » National footprint with offices in Chicago, New York and Los Angeles
- » Long standing relationships with intermediaries, business owners and financial sponsors
- » Large database of contacts (10,000+ industry contacts)
- » Has the Potential to Lead to Stronger Loan Selection and Lender Protections
- » Board seats and/or observation rights
- » Covenants
- » Low leverage
- » Proven Ability to Effectively Handle Due Diligence & Manage Loans
- » Access to highly experienced team of investment professionals
- » Experienced management team that has underwritten through multiple credit cycles



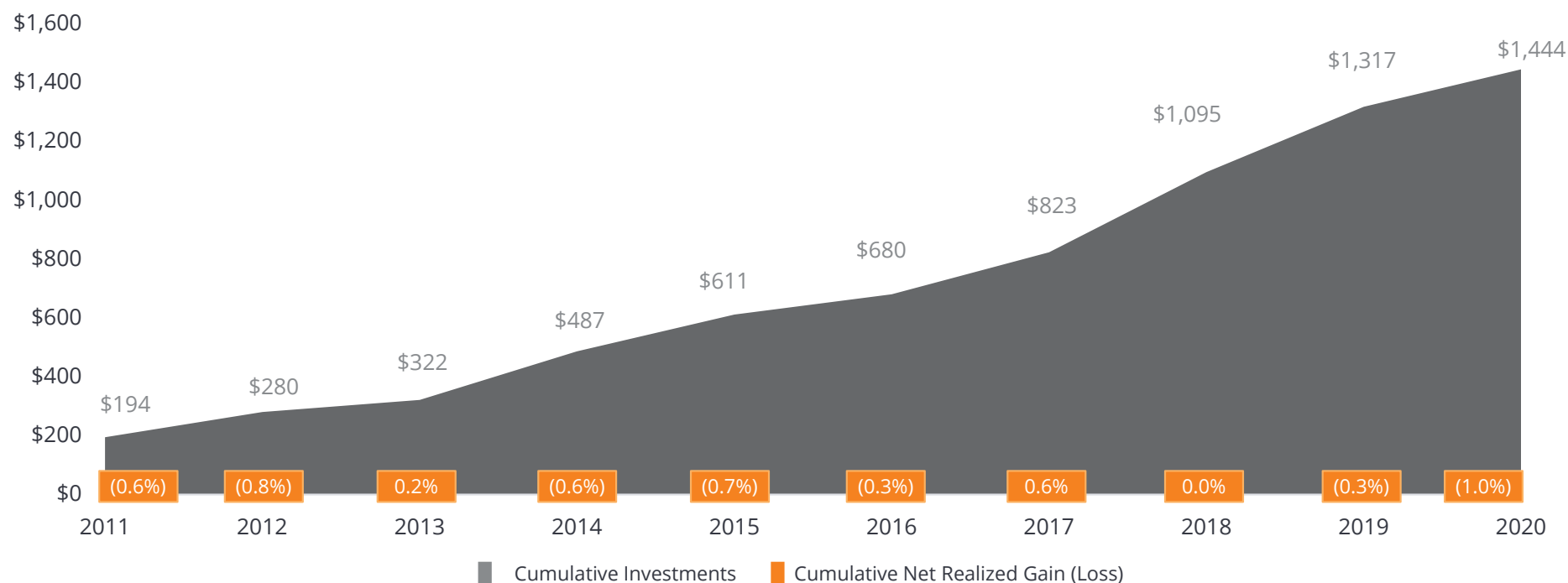
Strong Performance Track Record

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Since Inception, OFS Capital has produced an annualized net realized loss rate of approximately 10bps (1.00% cumulative net realized loss since inception)¹

3.8% of loan portfolio on non accrual⁴

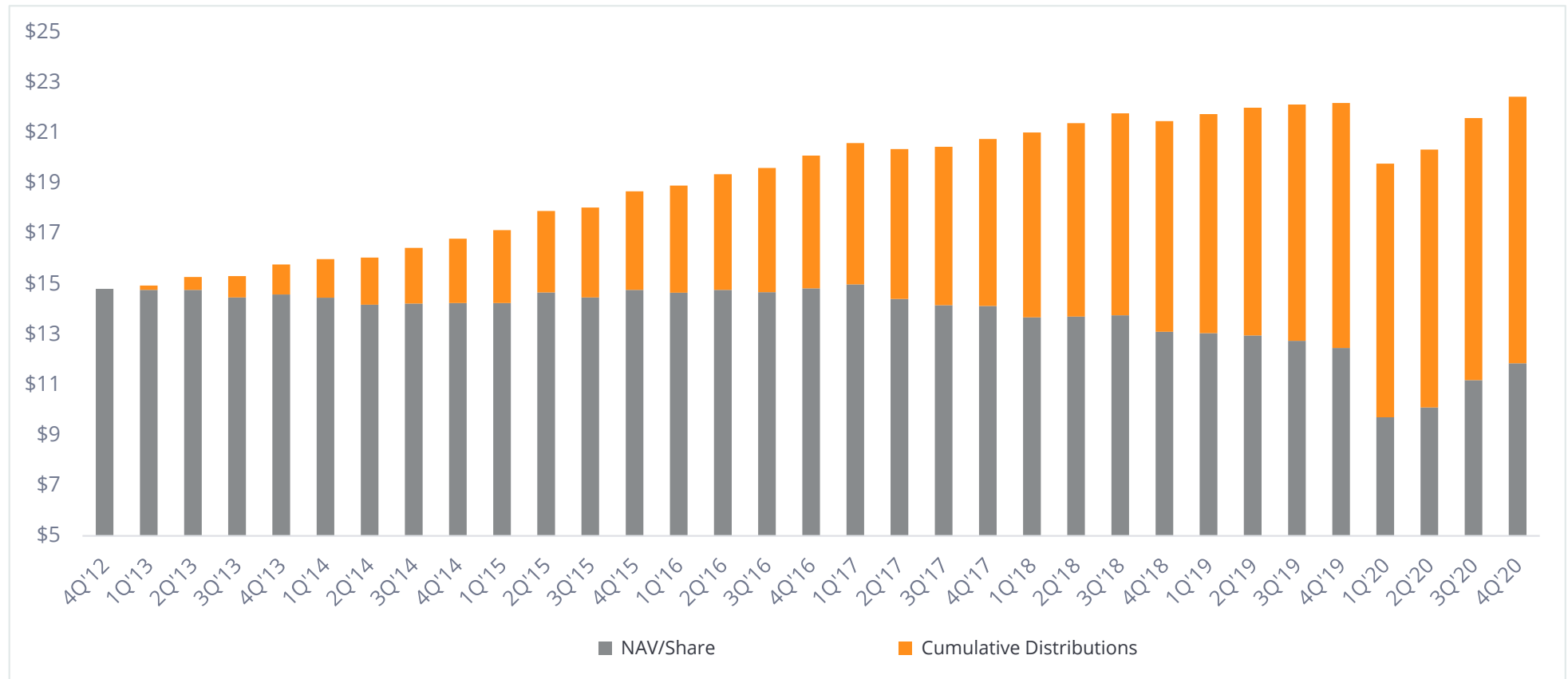
**Cumulative Investments,
Net Realized Gain (Loss) since 2011^{1,2,3}**
(dollars in millions; excludes Interest and Fee Income)



1. Investments 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 SBIC Fund acquisition. The annualized percentage was calculated by taking cumulative net realized loss for the period from 2011-Q3 2020 (\$13.9mm) divided into cumulative originations (approximately \$1.4B) for the same period.
2. Data is through December 31, 2020. Past performance is not indicative of future results.
3. 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) excludes the net unrealized appreciation (depreciation) on investments held by the Company as of the reported period ends, and does 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.
4. As of December 31, 2020. Based on fair values.

NAV Per Share + Cumulative Distributions¹

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\$10.58 Per Share in Distributions Declared since 4Q'12 IPO¹

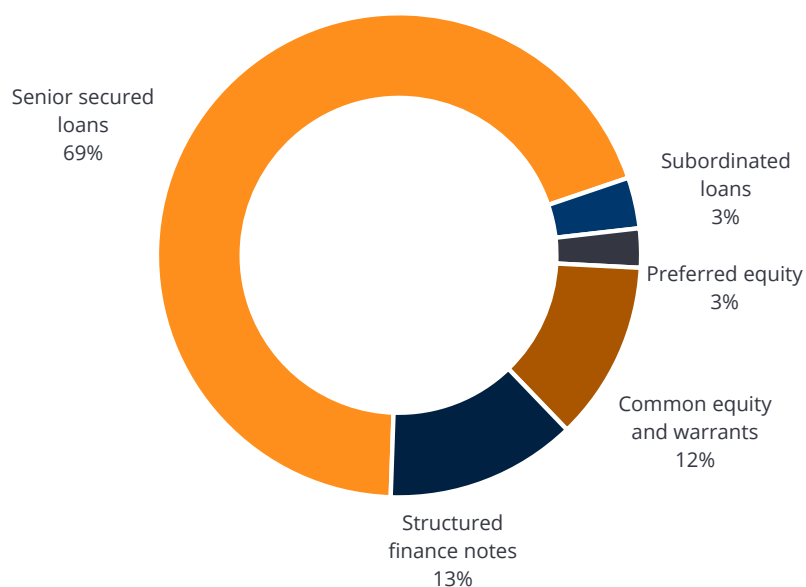
¹ Distributions are not guaranteed. Past performance is not indicative of future results.

Diversified & Senior Secured Focused Portfolio (cont'd)

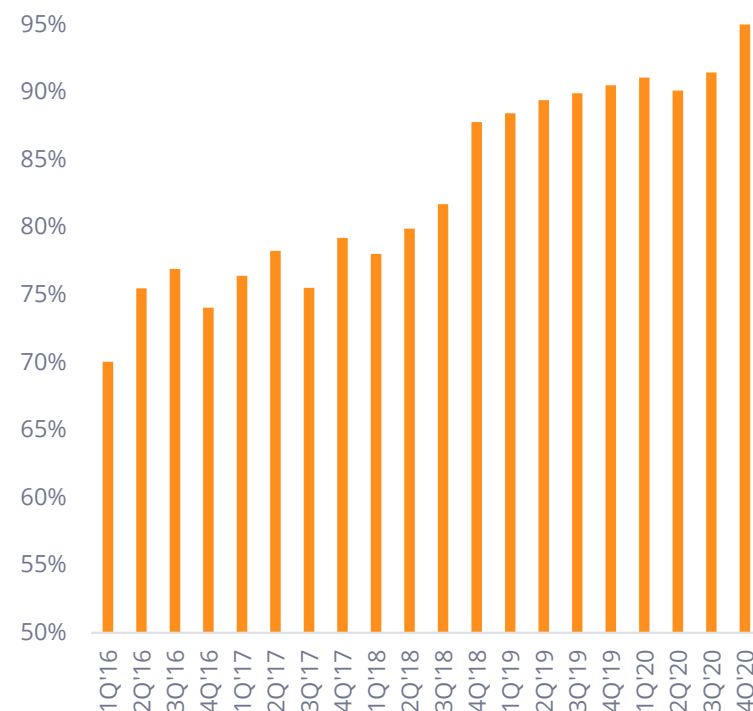
95% of the loan portfolio and 69% of all investments at fair value are deployed in senior secured loans with strong structural protections

Equity positions are entirely from equity co-investments alongside loans in lower middle market investments

Senior Loan Focus¹



Senior Secured Loans As Percentage of OFS Capital's Loan Portfolio



1. Based on fair value as of December 31, 2020. Percentages may not sum to 100% due to rounding.

Diversified & Senior Secured Focused Portfolio (cont'd)

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\$386 million investment portfolio²

62 portfolio companies² / ~\$6.2 million average investment at fair value²

No material exposure to cyclical sectors (no direct oil and gas exposure)

Portfolio Company Investments¹ Diversified & Senior Focused²

Industry Group	Fair Value ²	%
Manufacturing	\$ 95,919	25%
Professional, Scientific, and Technical Services	74,101	19%
Health Care and Social Assistance	57,458	15%
Wholesale Trade	52,886	14%
Construction	20,431	5%
Arts, Entertainment, and Recreation	19,973	5%
Information	19,611	5%
Retail Trade	19,097	5%
Finance and Insurance	9,302	2%
Education Services	5,601	1%
Administrative and Support and Waste Management and Remediation Services	3,697	1%
Real Estate and Rental and Leasing	3,235	1%
Transportation and Warehousing	2,517	1%
Other Services (except Public Administration)	1,394	0%
Public Administration	676	0%
	<u>\$ 385,898</u>	<u>100%</u>

Minimal Exposure to COVID-Impacted Sectors

- ✓ No Hotel Exposure
- ✓ No Restaurant Exposure
- ✓ No Oil & Gas Exposure

¹ A debt or equity investment in a portfolio company. Portfolio Company Investments exclude structured finance notes.

² As of December 31, 2020. Excludes structured finance notes. Percentages may not sum to 100% due to rounding

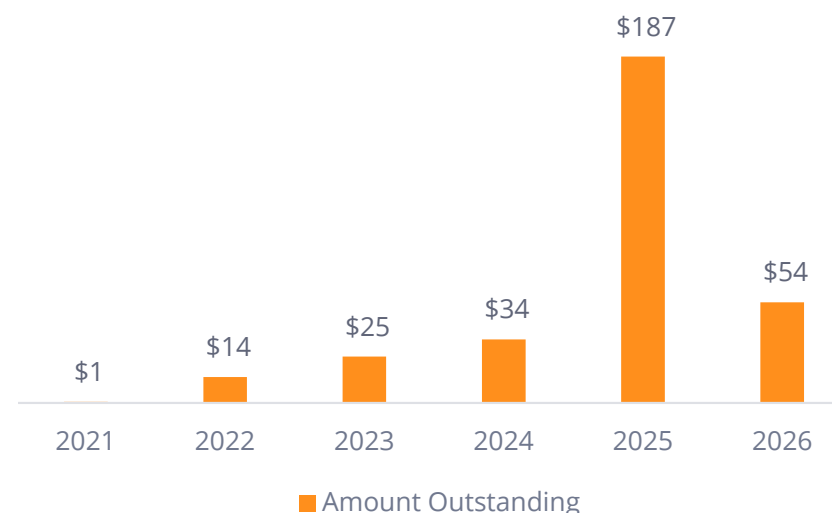
Attractive Financing / Balance Sheet Capacity - 12/31/20

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(\$ in millions)

	Capacity	Drawn	Maturity	Fixed/Variable	Coupon ²
SBA debentures¹					
	\$	14.0	Sep-22	Fixed	3.05%
		2.8	Sep-24	Fixed	3.37%
		65.9	Mar-25	Fixed	2.87%
		22.6	Sep-25	Fixed	3.18%
Sub-total		105.3		Weighted Avg.	2.98%
Unamortized debt issuance costs		(1.1)			
Total SBA debentures		104.2			
Unsecured notes		25.0	Sep-23	Fixed	6.25%
Unsecured notes		50.0	Apr-25	Fixed	6.375%
Unsecured notes		48.5	Oct-25	Fixed	6.50%
Unsecured notes		54.3	Oct-26	Fixed	5.95%
Sub-total		177.8			
Unamortized debt issuance costs		(4.9)			
Total unsecured notes		172.9			
Revolving credit facilities:					
OFS Capital Corp ³	20.0 ⁵	0.6	Feb-21	Variable	Prime + 0.25% ³
OFSCC-FS	150.0 ⁵	31.5	Jun-24	Variable	LIBOR+ Variable Margin ⁴
	170.0	32.1			
Total debt facilities:		\$ 309.2			

Maturity Schedule (\$ in Millions)



■ Amount Outstanding

¹ The SBIC intends, over time, to repay its outstanding SBA debentures prior to the scheduled maturity date of its debentures.

² Excludes upfront commitment and leverage fees and other deferred offering costs that are amortized over the life of the applicable debt instruments.

³ On February 17, 2021 among other things, the floor was reduced from 5.25% to 5%, Capacity was increased from \$20 million to \$25million, and the maturity was extended to February 28, 2023.

⁴ Based on composition of collateral when drawn.

⁵ The unused commitment is limited by borrowing base, advance rates, and other factors specified in the credit agreements as well as regulatory limits on the Company's leverage. The unused commitment may be less than the stated capacity in the agreements. Based on fair values and equity capital at December 31, 2020, we could access available lines of credit for \$100 million and remain in compliance with our asset coverage requirements.

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Appendix

- » Formed senior loan subsidiary in 2019 to primarily invest in first lien loans
- » Financing for the subsidiary is non recourse to the parent company
- » Reduced base management fee of 1% (from 1.75%) on assets in the subsidiary¹

Aims To Increase Return on Equity for Shareholders

- » Subsidiary seeks to invest in high quality, lower yielding loans that previously did not meet return targets
- » Expected increase to deal flow - quantity and consistency
 - Ability to deploy capital in lower yielding loans
 - Improves competitive position – larger capital base reduces closing certainty for borrower
- » Accelerates recent shift towards senior investments

Benefits of Being Part of Large Platform

- » Access to attractive financing
- » OFS Capital Management has the experience/capabilities to invest across the corporate loan market
 - Large investment team to source, underwrite and manage larger portfolio

¹ Subject to annual renewal by OFS Capital Management. The amount of the base management fee waived shall not be subject to recoupment by OFS Capital Management.

Experienced Leadership of OFS Capital Management



Experienced management team that has underwritten through multiple business cycles.

Well-aligned with 22% insider ownership vs. BDC sector median of 2%¹

Richard Ressler Chairman of Investment Committee

- » Co-Founder and Chairman of the Executive Committee of OFSAM
- » Founder of Orchard Capital Corporation, an investment and consulting firm
- » Co-Founder and Principal of CIM Group, LLC., a vertically integrated owner and operator of real assets
- » Chairman of j2 Global, Inc. (NASDAQ: JCOM) and CIM Commercial Trust Corporation (NASDAQ: CMCT)

Bilal Rashid Chairman & CEO

- » 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

- » Senior Managing Director 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

Robust Legal and Corporate Governance Framework

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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 KPMG, a leading audit, tax, and consulting firm, is 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 the independent directors» The Board meets throughout the year; the fair value of OFS Capital's assets are approved in good faith by the Board» A majority of OFS Capital's board is composed 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 an 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» 100% of investments reviewed quarterly» Valuations are performed in accordance with ASC 820 and utilize relevant applicable methodologies including the yield approach, market approach, etc.
Robust Compliance	<ul style="list-style-type: none">» Overseen by an experienced legal and compliance team

Condensed Consolidated Balance Sheets



	12/30/20 (audited)	9/30/20 (unaudited)	6/30/20 (unaudited)	3/31/20 (unaudited)	12/31/19 (audited)
Investments, at fair value	\$ 442,323	\$ 456,328	\$ 435,762	\$ 465,653	\$ 516,931
Cash	37,708	18,297	31,781	2,170	13,447
Other assets	3,782	7,050	7,899	9,030	7,810
Total assets	<u>\$ 483,813</u>	<u>\$ 481,675</u>	<u>\$ 475,442</u>	<u>\$ 476,853</u>	<u>\$ 538,188</u>
SBA debentures	\$ 104,182	\$ 127,355	\$ 132,203	\$ 132,109	\$ 147,976
Unsecured notes	172,953	172,682	148,447	148,249	148,052
Revolving lines of credit	32,050	24,650	51,750	58,050	56,450
Other liabilities	15,672	7,076	7,645	8,462	19,083
Total liabilities	<u>324,857</u>	<u>331,763</u>	<u>340,045</u>	<u>346,870</u>	<u>371,561</u>
Net Assets	158,956	149,912	135,397	129,983	166,627
Total liabilities and net assets	<u>\$ 483,813</u>	<u>\$ 481,675</u>	<u>\$ 475,442</u>	<u>\$ 476,853</u>	<u>\$ 538,188</u>

Condensed Consolidated Statements of Operations

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(\$ in thousands, except per share data)

Investment income

Interest income

Payment-in-kind interest and dividend income

Dividends and fees

Total investment income

Expenses

Interest expense

Management fees

Incentive fee

Other expenses

Total expenses

Net investment income

Net gain (loss) on investments

Net increase (decrease) in net assets resulting from operations

Net investment income per common share - basic and diluted¹

Net increase (decrease) in net assets resulting from operations

per common share - basic and diluted¹

Distributions declared per common share

Basic and diluted weighted average shares outstanding (000's)

Three Months Ended (unaudited)				
12/31/20	9/30/20	6/30/20	3/31/20	12/31/19
\$ 9,798	\$ 9,923	\$ 10,134	\$ 11,662	\$ 12,368
422	438	557	615	554
917	126	290	593	496
11,137	10,487	10,981	12,870	13,418
4,507	4,448	4,931	4,922	4,265
1,846	1,871	1,869	2,019	2,209
693	234	215	883	1,138
1,087	1,222	1,359	1,515	1,249
8,133	7,775	8,374	9,339	8,861
3,004	2,712	2,607	3,972	4,557
8,915	15,313	5,051	(36,132)	(3,057)
\$ 11,435	\$ 16,761	\$ 7,658	\$ (32,160)	\$ 706
\$ 0.22	\$ 0.20	\$ 0.19	\$ 0.30	\$ 0.34
\$ 0.85	\$ 1.25	\$ 0.57	\$ (2.41)	\$ 0.05
\$ 0.18	\$ 0.17	\$ 0.17	\$ 0.34	\$ 0.34
13,406	13,400	13,393	13,377	13,372

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