



OFS

OFS Capital Corporation

Nasdaq: OFS (common stock)

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

Investor Presentation
August 2020

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CIM Assets Owned and Operated

- » **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. AOO includes total gross assets at fair value, with real assets presented on the basis described in the Book Value disclosure and operating companies presented at gross assets less debt, as of March 31, 2020 (including the shares of such assets owned by joint venture partners and co-investments), plus binding unfunded commitments. AOO also includes the \$0.2 billion of AOO attributable to CIM Compass Latin America (CCLA), which is 50% owned and jointly operated by CIM. AOO for CMMT Partners, L.P. (which represents assets under management), a perpetual-life real estate debt fund, is \$1.1 billion as of March 31, 2020. **Equity Owned and Operated (EOO)**, representing the NAV (as defined below) before incentive fee allocation, plus binding unfunded commitments, is \$17.3 billion as of March 31, 2020, inclusive of \$0.2 billion of EOO attributable to CCLA (as described above) and \$0.9 billion of EOO for CMMT (which represents equity under management).
- » **Book Value** for each investment generally represents the investment's book value as reflected in the applicable fund's unaudited financial statements as of the Report Date prepared in accordance with U.S. generally accepted accounting principles on a fair value basis. These book values generally represent the asset's third-party appraised value as of the Report Date, but in the case of CIM's Cole Net-Lease Asset strategy, book values generally represent undepreciated cost (as reflected in SEC-filed financial statements).

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 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

- » \$436 million investment portfolio² (\$475 million total assets)³
- » 90% of loan portfolio is senior secured loans^{2,3,4}

Flexible Capital Structure

- » \$135 million net asset value (\$10.10 per share)³
- » 90% of debt matures in 2024 and beyond⁴; total weighted average cost of debt of 5.15%⁵

Strong Track Record

- » Since 2011, OFS has invested ~\$1.4 billion with a cumulative net realized loss of principal of 1.0% as of June 30, 2020⁶

Alignment of Interest

- » OFS Capital Management owns ~22% of OFS'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 June 30, 2020.

⁴ Excludes Structured Finance Notes.

⁵ Based on averages principal drawn for the three months ended June 30, 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.

Portfolio Monitoring

- » 90% of loan portfolio senior secured^{1,2,3}
- » Maintain active dialogue with portfolio companies
- » In March 2020, the Coronavirus Aid, Relief, and Economic Security Act ("Cares Act"), which, among other things, provides eligible companies with up to \$10 million in 100% SBA-guaranteed forgivable Paycheck Protection Program loans, was signed into law
- » As of May 8th, more than 25 portfolio companies had secured Paycheck Protection Program loans, totaling approximately \$78 million

Managing Liquidity

- » \$31.8 million of cash on balance sheet as of June 30, 2020
- » Additional capacity on two credit lines
- » Focused on preserving liquidity in order support portfolio companies and to capitalize on future opportunities

¹ Based on fair value.

² As of June 30, 2020.

³ Excludes Structured Finance Notes

» Access To Infrastructure And Resources of Large Platform

- OFS benefits from shared services provided by CIM Group - owners and operators of \$28.8 billion of assets¹
- OFS Capital Management has \$2.1 billion in AUM and owns 22% of OFS's common shares^{2,3,4}

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

- \$ 10.23 per share in distributions declared since 2012 IPO⁵
- Since 2011, OFS has invested ~\$1.4 billion with cumulative net realized losses on principal of 1.0%^{3,5}

» Senior Secured Focus With Earnings Growth Potential

- 87% of loans in investment portfolio are floating rate^{3,7,8}
- Potential to grow investment income as capital is deployed and portfolio is optimized

» Attractive Financing

- 90% of total debt matures in 2024 and beyond^{3,9,10}
- Unsecured bonds provide flexibility and wholly-owned senior loan facility has non recourse financing

1. See Important Disclosures beginning 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, Orchard First Source Asset Management, LLC ("OFSAM"), its predecessor entity, as well as other wholly-owned subsidiaries of OFSAM. OFSAM AUM is calculated in accordance with the Investment Advisers Act of 1940, as amended.

3. As of June 30, 2020.

4. AUM is calculated in accordance with the Investment Advisers Act of 1940, as amended.

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.

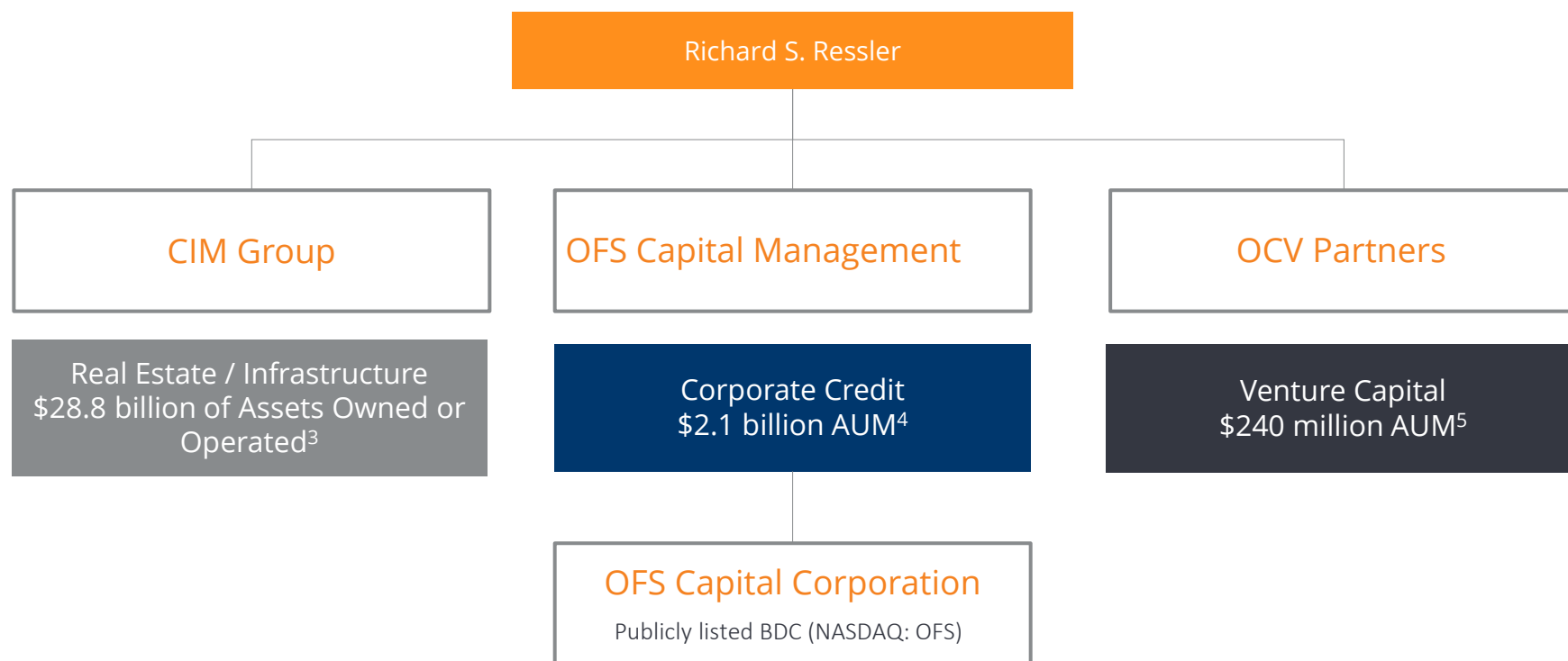
9. Based on principal drawn as of June 30, 2020.

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

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 more than \$30 billion of real assets and corporate credit
- » Since 1994, OFS Capital Management has invested over \$12 billion in more than 4,000 transactions and has offices in Chicago, Los Angeles and New York City²



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 March 31, 2020. See Important Disclosures on page 2.

⁴ As of June 30, 2020. Calculated in accordance with the Investment Advisers Act of 1940, as amended.

⁵ As of December 31, 2019.

- » 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
- » "HPCI" - Non-listed BDC

Structured Credit Investing

- » Structure and invest in CMBS, CLO equity and debt
- » "OCCI" - Publicly-listed closed end fund
- » SMA/Sub-advised

Broadly Syndicated Loans

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

OFS Platforms

BDCs

Closed-end Listed Fund

Co-Investments/ SMAs

CLO Facilities

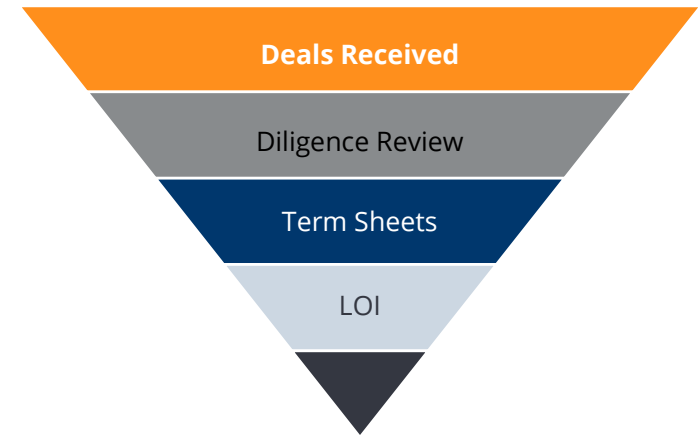
1. As of June 30, 2020. Calculated in accordance with the Investment Advisers Act of 1940, as amended.

2. Includes approximately \$58 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

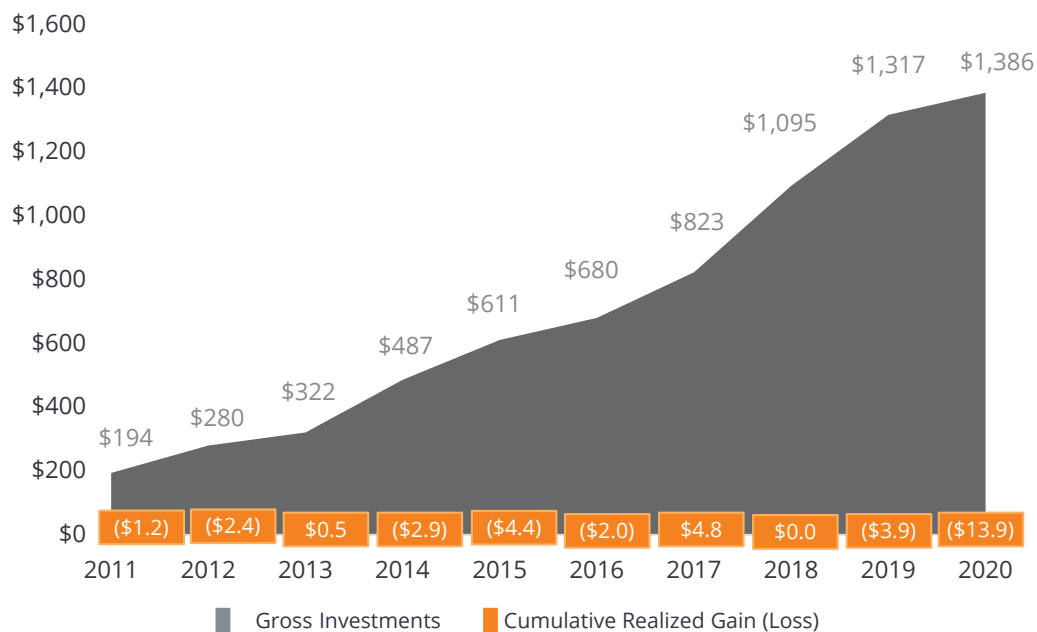


Strong Track Record - Low Loss Experience

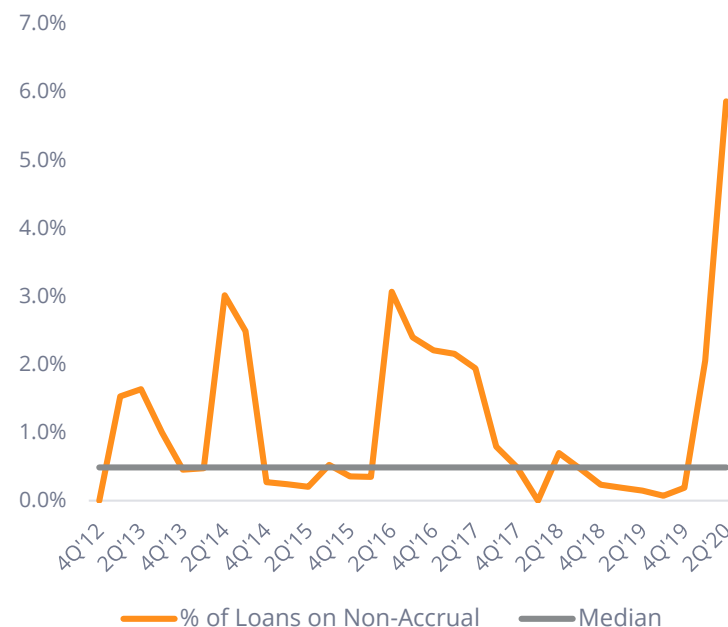
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Cumulative Investments, Realized Gain (Loss) of Principal since 2011^{1,2}

(in millions; excludes Interest and Fee Income)



Non Accruals Loans as % of Loan Portfolio³



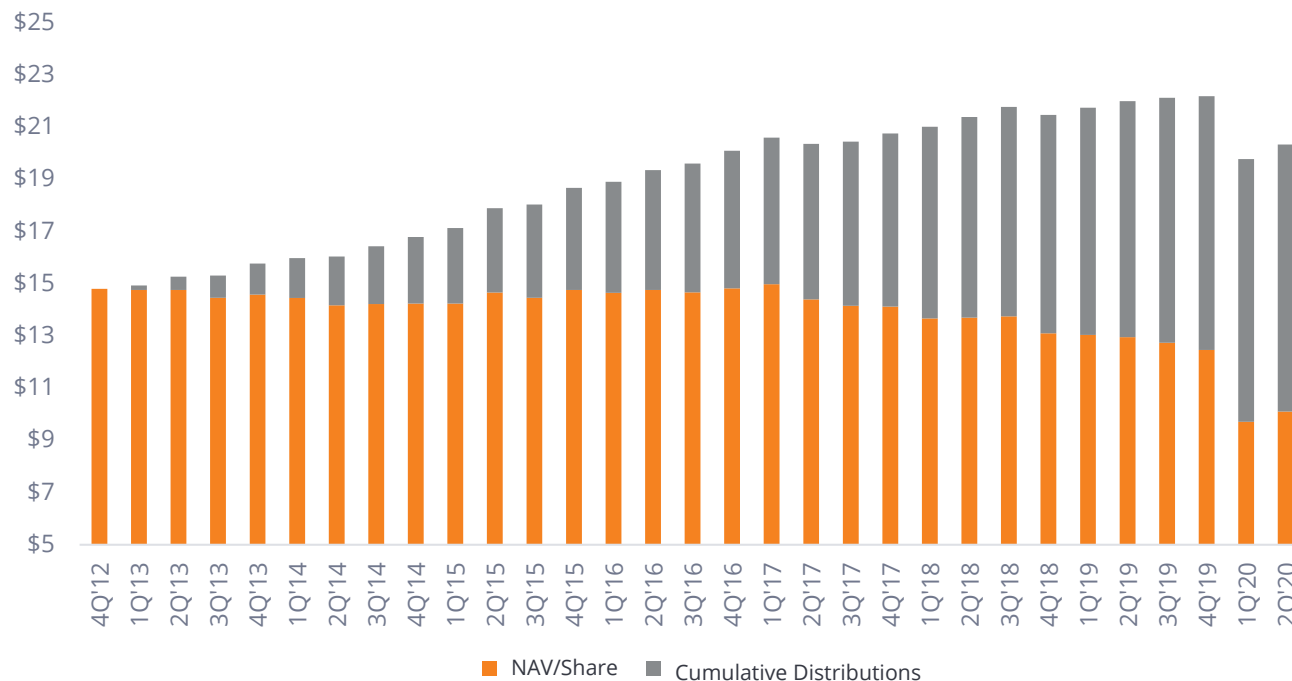
1 As of June 30, 2020. Past performance is not indicative of future results.

2 Investments and 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.

3 Based on fair values.

NAV Per Share + Cumulative Distributions¹

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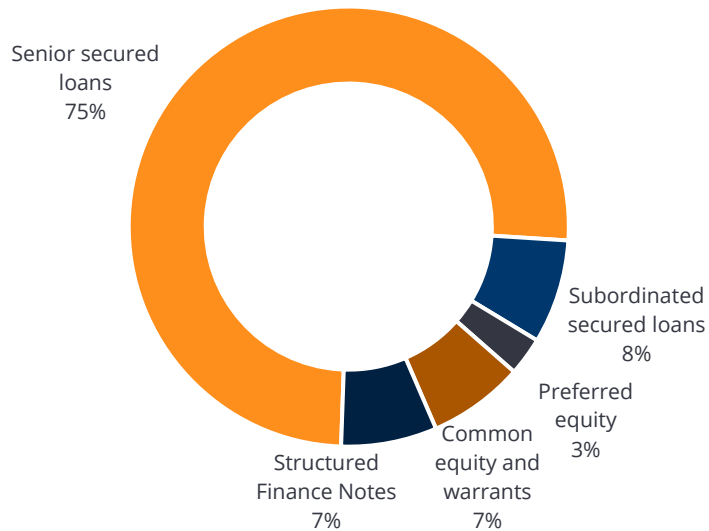


\$10.23 Per Share in Distributions Declared since 4Q'12 IPO¹

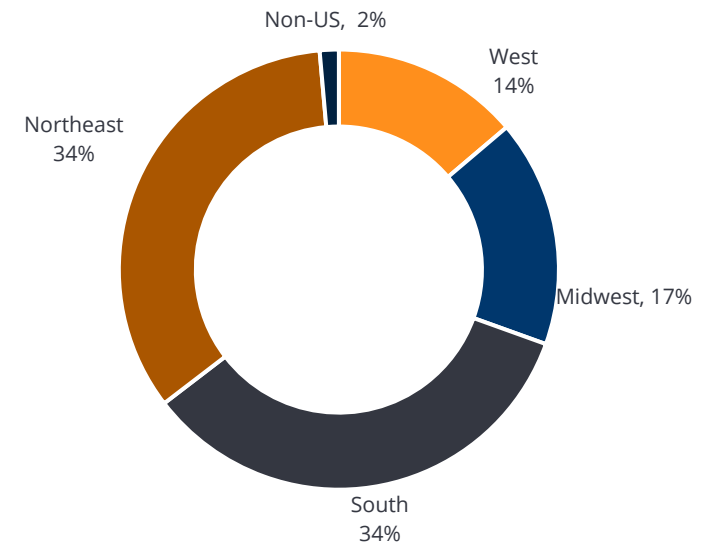
¹ Distributions are not guaranteed. Past performance is not indicative of future results.

Investment Portfolio - Diversified & Senior Focused

Senior Loan Focus¹



Geographic Diversification^{1,2}

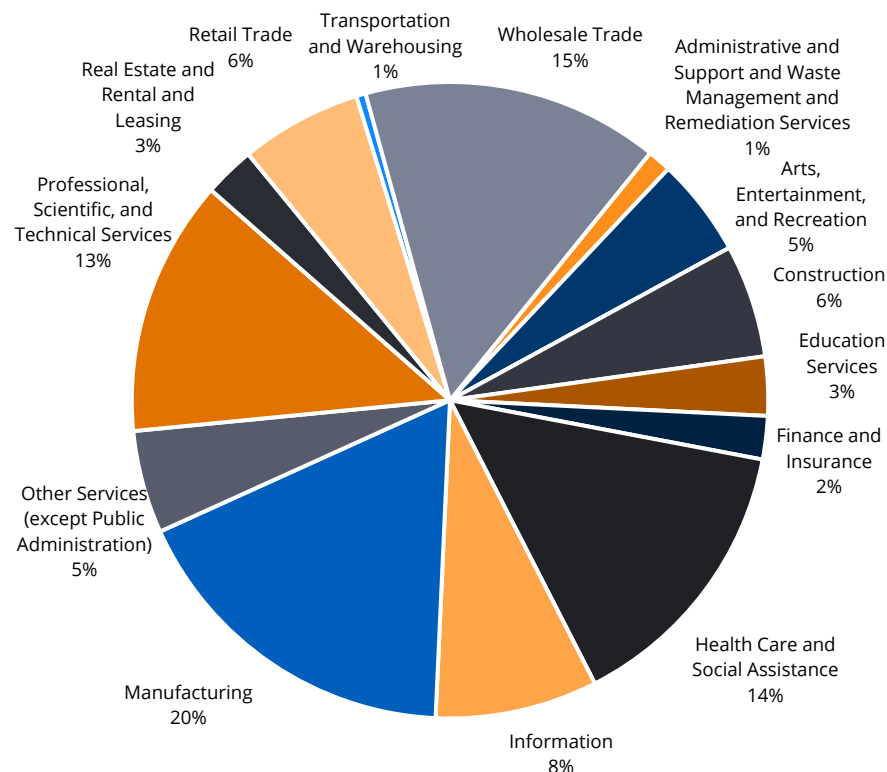


¹ Based on fair value as of June 30, 2020. Percentages may not sum to 100% due to rounding.

² Based on locations of the portfolio companies' headquarters.

Debt and Equity Investment Portfolio - Diversified & Senior Focused¹

Industry Group	Fair Value ¹	%
Administrative and Support and Waste Management and Remediation Services	\$ 4,740	1%
Arts, Entertainment, and Recreation	19,725	5%
Construction	22,626	6%
Education Services	11,815	3%
Finance and Insurance	8,663	2%
Health Care and Social Assistance	57,064	14%
Information	32,497	8%
Manufacturing	80,344	20%
Other Services (except Public Administration)	20,752	5%
Professional, Scientific, and Technical Services	51,330	13%
Public Administration	707	-
Real Estate and Rental and Leasing	10,180	3%
Retail Trade	24,072	6%
Transportation and Warehousing	1,884	1%
Wholesale Trade	59,513	15%
	<u>\$ 405,732</u>	<u>100%</u>



- » \$405.7 million investment portfolio¹
- » 65 portfolio companies¹ / ~\$6.2 million average investment at fair value¹
- » Avoid material exposure to cyclical sectors (No direct oil and gas exposure)

¹ As of June 30, 2020. Excludes structured finance notes. Percentages may not sum to 100% due to rounding.

Senior Loan Subsidiary

- » 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

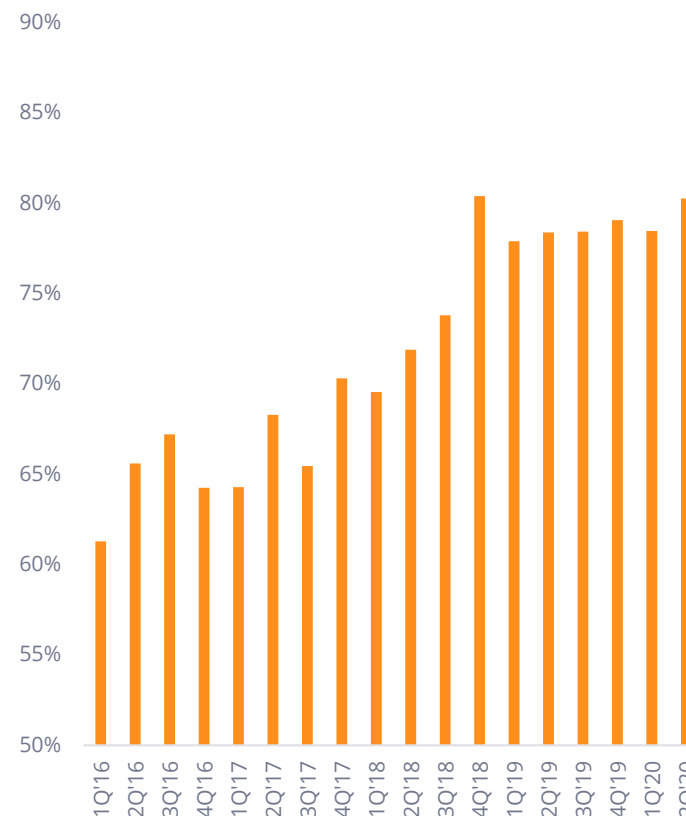
Aims To Increase Return on Equity for Shareholders

- » Subsidiary invests 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

Senior Loans As % of OFS Portfolio²



¹ Measured at the end of the two most recently completed calendar quarters without regard to the statutory asset coverage ratio. Subject to annual renewal by OFS Advisor. The amount of the base management fee waived shall not be subject to recoupment by OFS Advisor.

² As of June 30, 2020 and based on Fair Value. Excludes structured finance notes

Attractive Financing / Balance Sheet Capacity

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	Capacity	Drawn	Maturity	Fixed/Variable	Coupon
SBA debentures¹					
		\$ 14.0	Sep-22	Fixed	3.05%
		31.3	Sep-24	Fixed	3.37%
		65.9	Mar-25	Fixed	2.87%
		<u>22.6</u>	Sep-25	Fixed	3.18%
Sub-total		133.8		Weighted Avg.	3.06%²
Unamortized debt issuance costs		<u>(1.6)</u>			
Total SBA debentures		132.2			
Unsecured notes		50.0	Apr-25	Fixed	6.38% ²
Unsecured notes		48.5	Oct-25	Fixed	6.50% ²
Unsecured notes		<u>54.3</u>	Oct-26	Fixed	5.95% ²
Sub-total		152.8			
Unamortized debt issuance costs		<u>(4.4)</u>			
Total unsecured notes		148.4			
Revolving credit facilities:					
OFS Capital Corp	50.0	21.1	Feb-21	Variable	Prime + 0.25% ³
OFSCC-FS	<u>150.0</u>	<u>30.7</u>	Jun-24	Variable	LIBOR+ Variable Margin ⁴
	200.0⁵	51.8			

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 Subject to 5.25% floor.

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 June 30, 2020, we could access available lines of credit for \$51.0 million and remain in compliance with our asset coverage requirements.

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Appendix

Experienced Leadership of OFS Capital Management



Experienced management team that has underwritten through multiple business cycles.

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

Condensed Consolidated Balance Sheets



	6/30/20 (unaudited)	3/31/20 (unaudited)	12/31/19 (audited)	9/30/19 (unaudited)	6/30/19 (unaudited)
Investments, at fair value	\$ 435,762	\$ 465,653	\$ 516,931	\$ 502,161	\$ 484,718
Cash and cash equivalents	31,781	2,170	13,447	7,974	9,404
Other assets	7,899	9,030	7,810	8,152	10,749
Total assets	<u>\$ 475,442</u>	<u>\$ 476,853</u>	<u>\$ 538,188</u>	<u>\$ 518,287</u>	<u>\$ 504,871</u>
SBA debentures	\$ 132,203	\$ 132,109	\$ 147,976	\$ 147,881	\$ 147,786
Unsecured notes	148,447	148,249	148,052	95,600	95,474
Revolving line of credits	51,750	58,050	56,450	92,475	38,250
Other liabilities	7,645	8,462	19,083	11,925	50,229
Total liabilities	<u>340,045</u>	<u>346,870</u>	<u>371,561</u>	<u>347,881</u>	<u>331,739</u>
Net assets	<u>135,397</u>	<u>129,983</u>	<u>166,627</u>	<u>170,406</u>	<u>173,132</u>
Total liabilities and net assets	<u>\$ 475,442</u>	<u>\$ 476,853</u>	<u>\$ 538,188</u>	<u>\$ 518,287</u>	<u>\$ 504,871</u>

Condensed Consolidated Statements of Operations

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(\$ in thousands, except per share data)

	Three Months Ended (Unaudited)				
	6/30/20	3/31/20	12/31/19	9/30/19	6/30/19
Investment income					
Interest income	\$ 10,134	\$ 11,662	\$ 12,368	\$ 13,090	\$ 12,210
Payment-in-kind interest and dividend income	557	615	554	471	424
Dividends and fees	290	593	496	297	266
Total investment income	10,981	12,870	13,418	13,858	12,900
Expenses					
Interest expense	4,931	4,922	4,265	4,464	3,645
Management fees	1,869	2,019	2,209	2,164	2,055
Incentive fee	215	883	1,138	1,214	1,245
Other expenses	1,359	1,515	1,249	1,163	1,095
Total expenses	8,374	9,339	8,861	9,005	8,040
Net investment income	2,607	3,972	4,557	4,853	4,860
Net loss on investments	5,051	(36,132)	(3,057)	(3,091)	(1,507)
Net increase (decrease) in net assets resulting from operations:	\$ 7,658	\$ (32,160)	\$ 706	\$ 1,762	\$ 3,353
Net investment income per common share - basic and diluted ¹	\$ 0.19	\$ 0.30	\$ 0.34	\$ 0.36	\$ 0.36
Net increase (decrease) in net assets resulting from operations per common share - basic and diluted ¹	\$ 0.57	\$ (2.41)	\$ 0.05	\$ 0.13	\$ 0.25
Distributions declared per common share	\$ 0.17	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.34
Basic and diluted weighted average shares outstanding (000's)	13,393	13,377	13,372	13,367	13,361

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