



OFS Capital Corporation

Nasdaq: OFS (common stock)

Nasdaq: OFSSL (notes)

Second Quarter 2018 Investor Presentation

OFS

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 ("OFS" or "OFS Capital") Annual Report on Form 10-K for the year ended December 31, 2017 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 S.E.C. 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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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, 2018 (the "Report Date") (including the shares of such assets owned by joint venture partners and co-investments), plus binding unfunded commitments. AOO also includes the \$0.3 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 \$0.4 billion as of the Report Date.

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).

Overview	<ul style="list-style-type: none"> OFS is a Nasdaq listed BDC 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 ~\$44 million contribution from adviser OFS Capital Management¹ Raised \$54 million in 2017 equity follow-on offering
Senior Focused Portfolio	<ul style="list-style-type: none"> \$363 million investment portfolio (\$393 total assets)² 80% of loan portfolio is senior secured loans^{2,3}
Flexible Capital Structure	<ul style="list-style-type: none"> \$183 million net asset value (\$13.70 per share)² Attractive financing through small business investment company (“SBIC”) license; \$150 million “non-recourse” SBA⁵ debentures have weighted average cash interest rate of 3.18%⁴ 86% of total debt matures after 2023; total weighted average cost of debt of 4.37%²
Strong Track Record	<ul style="list-style-type: none"> Since 2011, OFS has invested \$968 million with a cumulative net realized loss on principal of \$4.2 million⁶
Alignment of Interest	<ul style="list-style-type: none"> OFS Capital Management owns ~22% of OFS's common shares¹

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 As of June 30, 2018.

3 Based on fair value.

4 Excludes upfront commitment and leverage fees of approximately 3.43% that are amortized over life of debentures.

5 U.S. Small Business Administration.

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.

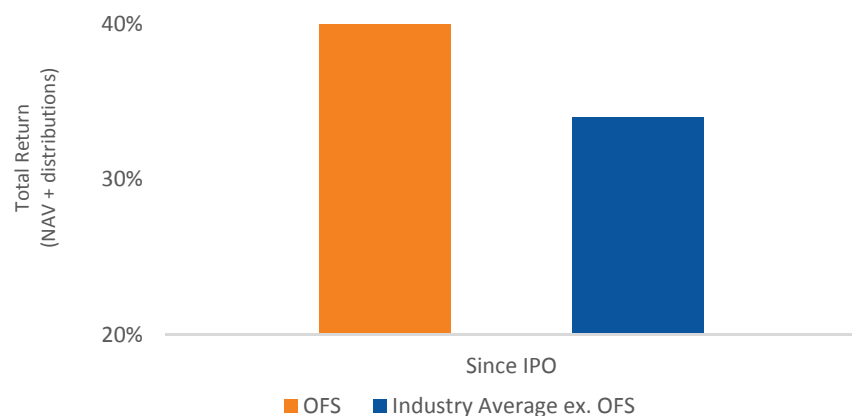
- 2Q'18 net investment income per share in line with quarterly distribution¹
- 23 consecutive quarters of declaring \$0.34 per share distribution^{1,2}
- Over \$8 per share in distributions declared since late 2012 IPO^{1,2}
- Net Asset Value Per Share of \$13.70 increased from \$13.67 per share at March 31, 2018
- Closed public offering of \$50.0 million in aggregate principal amount of 6.375% unsecured notes

¹ Distributions are not guaranteed.

² Past performance is not indicative of future results.

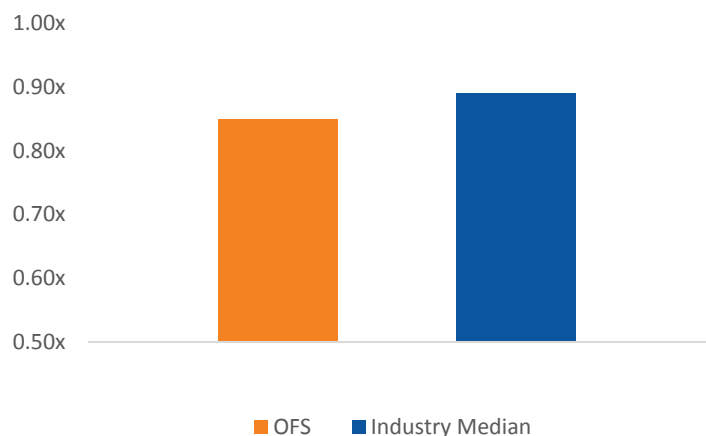
Fundamental Outperformance & Discounted Valuation

Relative Outperformance¹

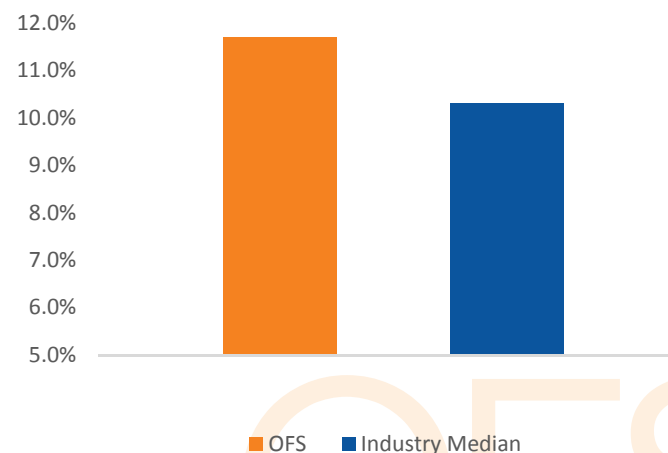


- OFS shares trade at a discount to peers despite long term track record of fundamental outperformance¹
- Total return exceeds industry average since IPO²

Price to Book²



Distribution Yield³



1 Total return defined as change in net asset value per share plus cumulative distributions. Past performance is not indicative of future results. Performance data is as of 1Q'18. Industry average data obtained from S & P Global Market Intelligence for all externally managed BDCs.

2 NAV data is as of 1Q'18, price data is as of 2Q'18. Industry Average data obtained from S & P Global Market Intelligence for all externally managed BDCs.

3 Data is as of 2Q'18. Industry average data obtained from S & P Global Market Intelligence for all externally managed BDCs. Distributions are not guaranteed.

- **Access To Infrastructure And Resources of Large Platform**
 - OFS Capital Management has \$2.2 billion in AUM and owns 22% of OFS's common shares^{1,2}
 - OFS benefits from shared services provided by CIM Group - owners and operators of \$28.6 billion of assets³
- **Strong Track Record of Generating Income For Investors & Preserving Capital**
 - Over \$8.00 per share in distributions declared since 2012 IPO⁴
 - Since 2011, OFS has invested \$968 million with a cumulative net realized loss *on principal* of \$4.2 million^{1,5}
- **Earnings Growth Given Balance Sheet Capacity & Floating Rate Portfolio**
 - \$22.7 million cash and \$42.0 million undrawn on credit facility (debt-to-equity of 1.1x)¹
 - 77% of loans in investment portfolio are floating rate, while OFS's long term debt is 96% fixed rate^{1,6}
 - Recent regulatory changes allow 2x1 leverage⁷ – we believe OFS is uniquely positioned to benefit given its expertise in the senior loan market and potential access to attractive capital given size of platform
- **Attractive SBIC Financing**
 - \$150 million in “non-recourse” SBA⁸ debentures in separate SBIC fund subsidiary
 - SBA debentures are low cost, fixed-rate notes with weighted average cash interest rate of 3.18%^{1,9}

1 As of June 30, 2018.

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

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 SBIC Fund acquisition.

6 Based on fair value.

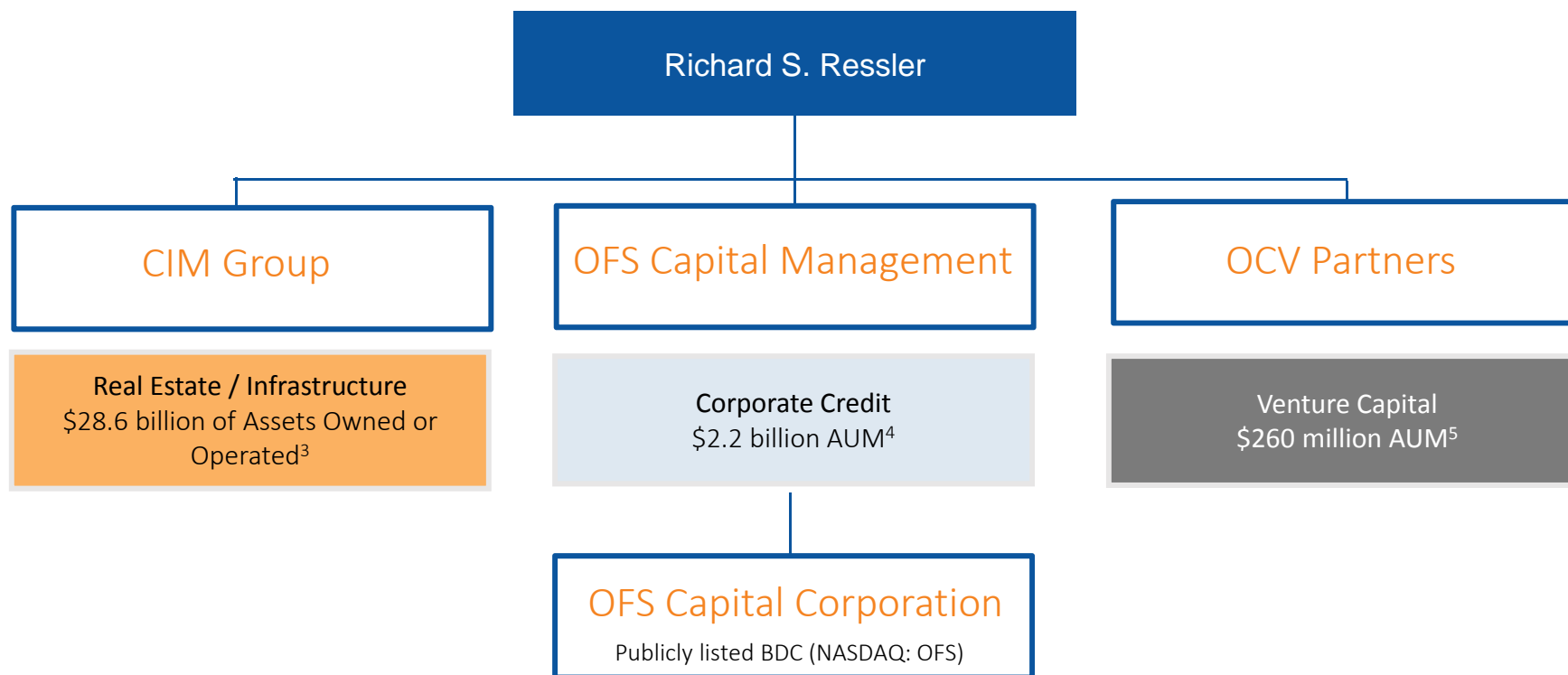
7 The OFS Board of Directors approved the application of the reduced asset coverage ratio beginning on May 3, 2019.

8 U.S. Small Business Administration.

9 Excludes upfront commitment and leverage fees that approximate 3.43% and are amortized over life of debentures.

Access To Infrastructure And Resources of Large Platform¹

- 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 OFS Capital Management, LLC, its parent company, OFSAM, its predecessor entity, as well as other wholly-owned subsidiaries of OFSAM.

³ As of March 31, 2018. See Important Disclosures on page 2.

⁴ As of June 30, 2018. Calculated in accordance with the Investment Advisers Act of 1940, as amended.

⁵ As of June 30, 2018.

Experienced Leadership of OFS Capital Management



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)
- Director of Presbia PLC (NASDAQ: LENS)

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

Mark Hauser
Senior Managing Director

- Senior Managing Director of OFS Capital Management and a member of the investment and executive committees
- Also held positions with Sandell Asset Management, FdG Associates and Ocean Capital Corporation

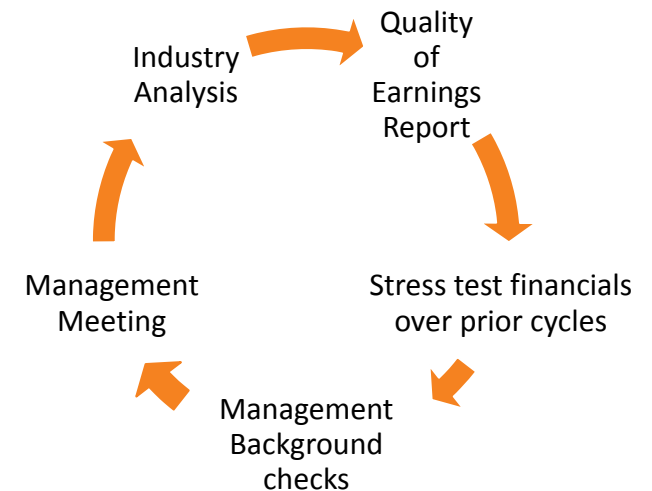
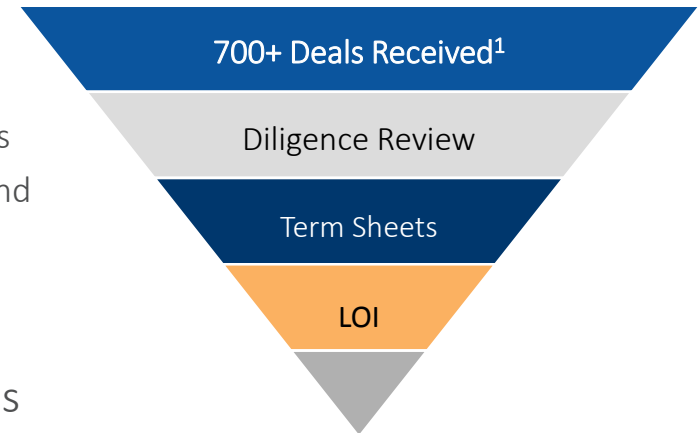
Experienced management team that has underwritten through multiple business cycles



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)
- ...Leads 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 cycles

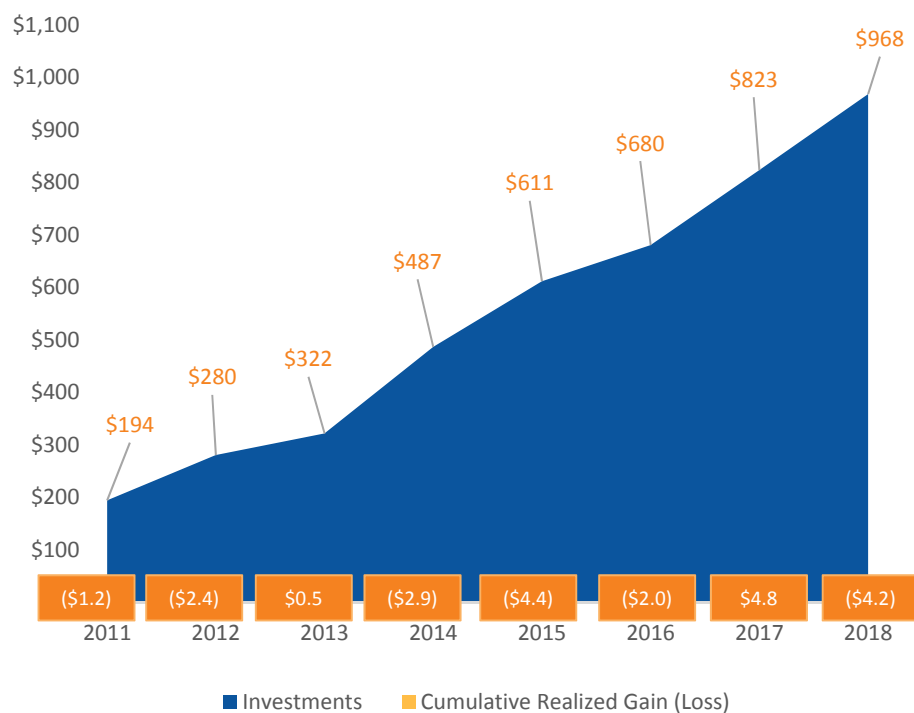


¹ For trailing twelve months ending June 30, 2018.

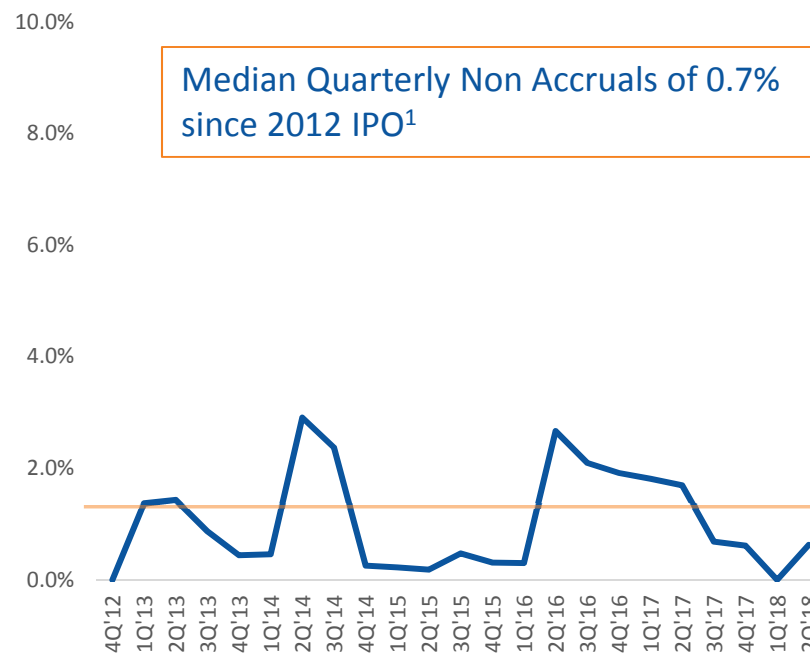
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Low Loss Experience

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



Loan Non Accruals as % of Loan Portfolio³

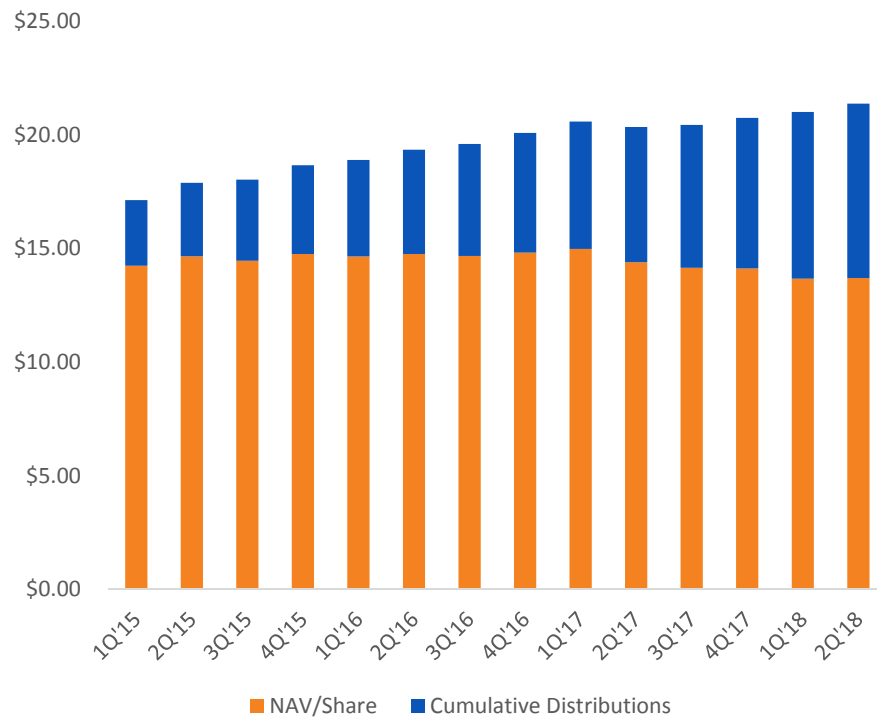


1 As of March 31, 2018.
 2 Investments and cumulative realized gains (loss) for the years ended December 31, 2012 and 2011 give pro forma effect to OFS Capital's consolidation of OFS Capital WM, LLC as a result of the WM 2012 Credit Facility Amendments, as if the consolidation took place on January 1, 2011. Includes \$2.7 million realized gain from SBIC Fund acquisition.
 3 Quarterly values calculated on the basis of fair values.

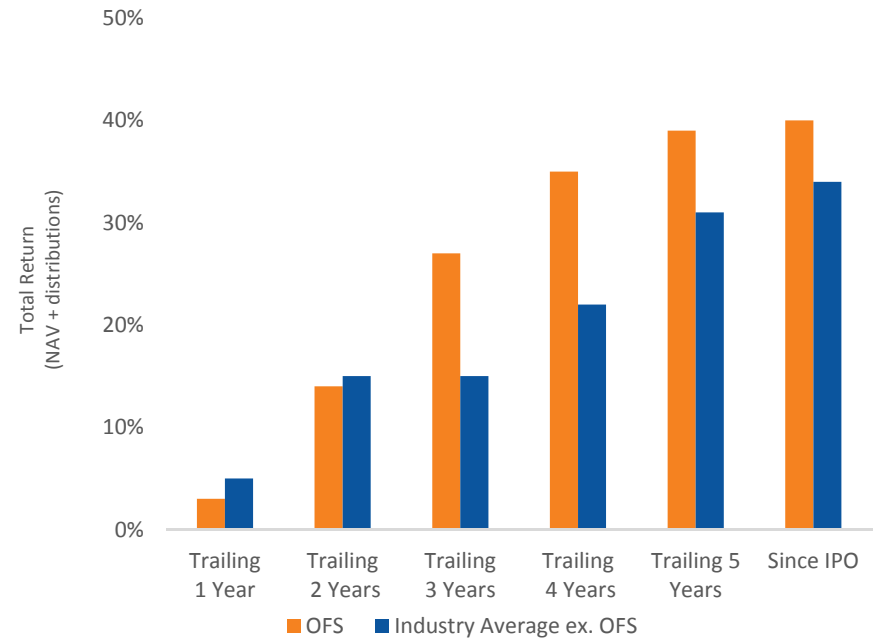
Strong Track Record - Stable NAV & Consistent Distributions



NAV Per Share + Cumulative Distributions¹



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



Over \$8 Per Share in Distributions Declared since 4Q'12 IPO¹

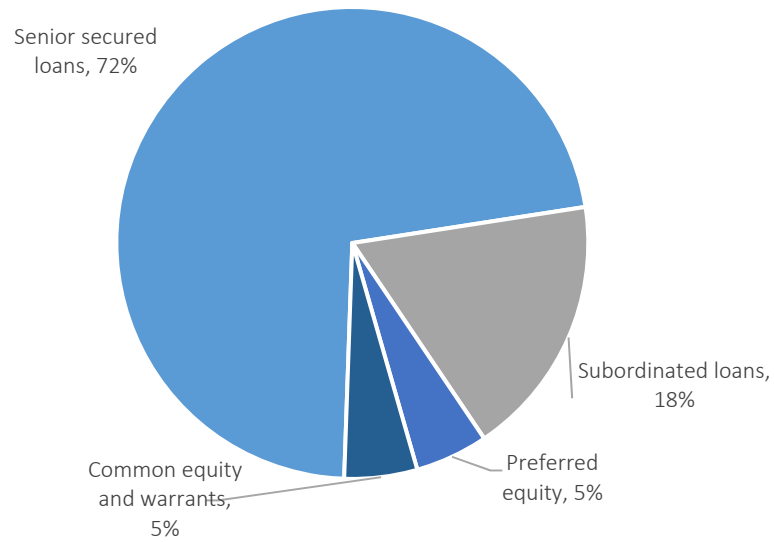
1 Distributions are not guaranteed. Past performance is not indicative of future results.

2 Past performance is not indicative of future results. Performance data is as of 1Q'18. Industry Average data obtained from SNL Financial for all externally managed BDCs

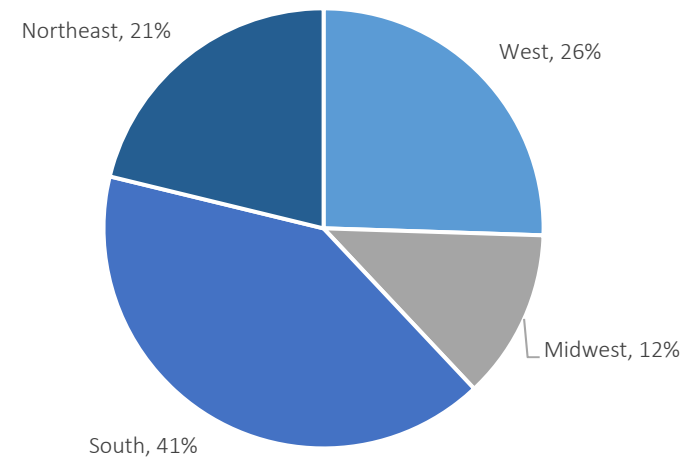


Investment Portfolio - Diversified & Senior Focused

Senior Loan Focus¹



Geographic Diversification¹



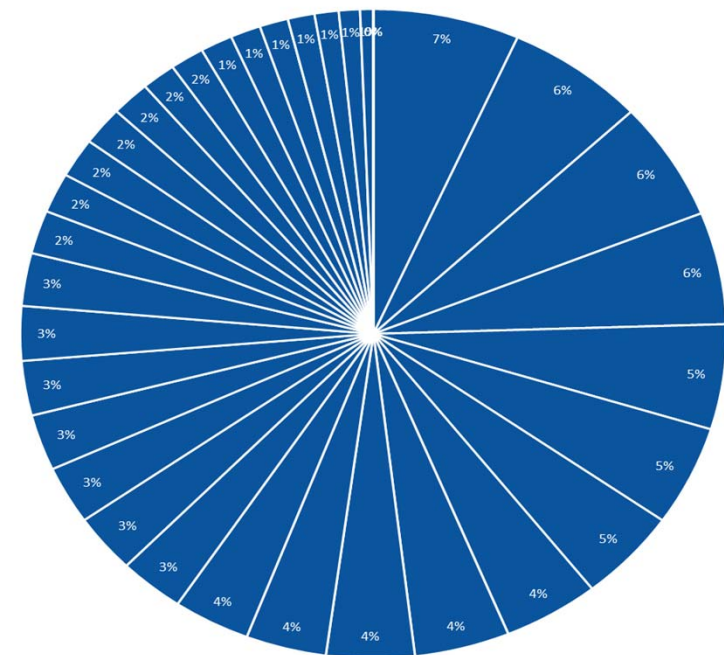
¹ Based on fair value as of June 30, 2018.

Investment Portfolio - Diversified & Senior Focused



Industry	%
Software Publishers	7%
Automotive Oil Change and Lubrication Shops	6%
Metal Service Centers and Other Metal Merchant Wholesalers	6%
General Warehousing and Storage	6%
Fitness and Recreational Sports Centers	5%
Electrical Contractors and Other Wiring Installation Contractors	5%
Office Machinery and Equipment Rental and Leasing	5%
Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	4%
Stationary & Office Supply Merchant Wholesaler	4%
Security Systems Services (except Locksmiths)	4%
Other Professional, Scientific, and Technical Services	4%
Pump and Pumping Equipment Manufacturing	4%
Travel Trailer and Camper Manufacturing	3%
Pharmaceutical Preparation Manufacturing	3%
Plumbing, Heating, and Air-Conditioning Contractors	3%
Other Justice, Public Order, and Safety Activities	3%
Industrial Machinery and Equipment Merchant Wholesalers	3%
Shoe store	3%
Insurance Agencies and Brokerages	3%
Temporary Help Services	2%
Offices of Physicians, Mental Health Specialists	2%
Truck Trailer Manufacturing	2%
Other amusement and recreation industries	2%
Cosmetics, Beauty Supplies, and Perfume Stores	2%
Data Processing, Hosting, and Related Services	2%
All Other General Merchandise Stores	2%
Other Aircraft Parts and Auxiliary Equipment Manufacturing	1%
Printing Machinery and Equipment Manufacturing	1%
Commercial Printing (except Screen and Books)	1%
Other Accounting Services	1%
Outpatient Mental Health and Substance Abuse Centers	1%
Bolt, Nut, Screw, Rivet, and Washer Manufacturing	1%
Automotive Body, Paint, and Interior Repair and Manufacturing	1%
Home Health Equipment Rental	<1%
Medical Laboratories	<1%
Sporting and Recreational Goods and Supplies Merchant Wholesalers	<1%
	<u>100%</u>

- \$363 million investment portfolio¹
- 42 portfolio companies¹
- \$8.6 million average investment¹
- Avoid material exposure to cyclical sectors (No direct oil and gas exposure)



1 As of June 30, 2018. Sum of percentages may exceed 100% due to rounding.

- Cash and cash equivalents
 - \$22.7 million¹
- Revolving credit facility
 - \$42.0 million undrawn¹
- Recent regulatory changes allows 2x1 leverage² – OFS is uniquely positioned to benefit
 - OFS Capital Management has \$2.2 billion in AUM³ – a majority of the AUM are invested in lower yielding, senior loans
 - Ability to obtain attractive bank financing given size and scale of \$30+ billion platform

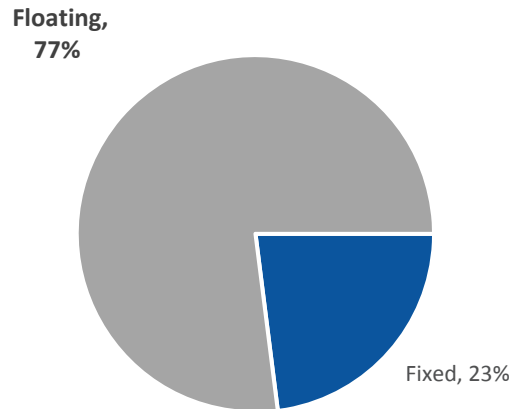
1 As of June 30, 2018.

2 Subject to board or stockholder approval. The OFS Board of Directors approved the application of the reduced asset coverage ratio beginning on May 3, 2019.

3 As of June 30, 2018. Calculated in accordance with the Investment Advisers Act of 1940, as amended.

Earnings Growth- Positioned To Benefit From Rising Rates

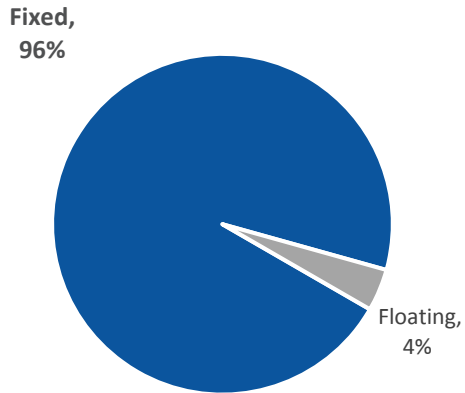
Assets^{1,2}



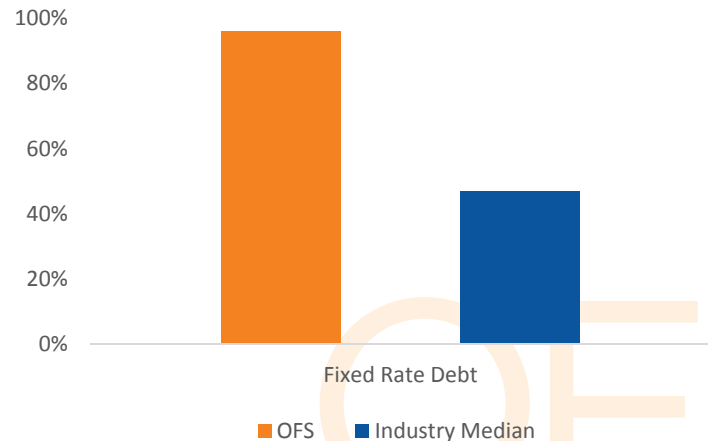
Earnings Sensitivity of Loan Portfolio^{1,3} (Annual change)

Basis Point Change In Libor	NII/Share Cumulative Benefit
(150)	(\$0.17)
(100)	(\$0.13)
(50)	(\$0.05)
50	\$0.10
100	\$0.18
150	\$0.26

Debt¹



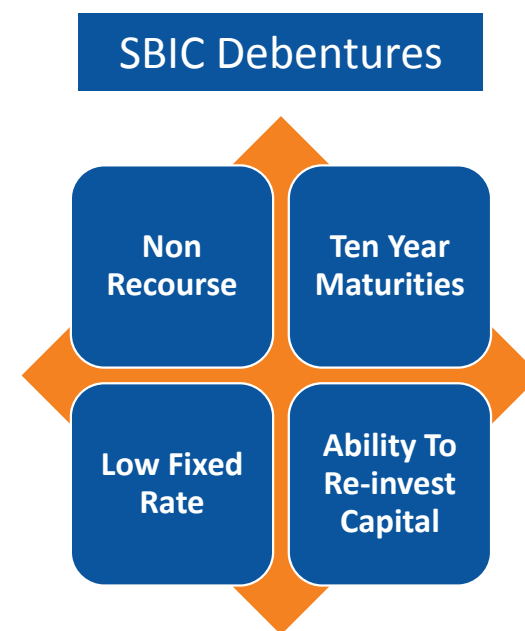
Industry Comparison – Fixed Rate Debt⁴



1 As of June 30, 2018.
 2 Based on fair value.
 3 Assumes 20% incentive fee and a constant balance sheet; does not adjust for potential changes in the credit market, credit quality, size and composition of the assets in our portfolio.
 4 Industry data is as of 1Q'18. Industry Average data obtained from S & P Global Market Intelligence for all externally managed BDCs. OFS data as of 2Q'18.

SBIC Subsidiary

- The SBIC program is administered by the U.S. Small Business Administration (“SBA”), which is a U.S. federal government agency
- SBICs are privately owned and managed investment funds that can use their own capital along with funds borrowed with an SBA guarantee (“SBA debentures”) to make debt and equity investments in U.S. small businesses
- An SBIC license provides OFS access to 10-year fixed rate, “non-recourse” low cost financing of 3.18%¹ (since the debentures are guaranteed by the SBA)
- SBIC fund (subsidiary) has \$225 million in lending capacity
 - \$75 million in contributed equity
 - \$150 million in non-recourse SBA debentures²
- OFS's total net asset value is \$183.0 million³



1 Excludes upfront commitment and leverage fees that approximate 3.43% and are amortized over life of debentures.

2 On November 3, 2013, we received exemptive relief to allow us to exclude SBA guaranteed indebtedness from the definition of senior securities in our statutory 200% asset coverage ratio under the 1940 Act.

3 As of June 30, 2018.

Attractive SBIC Financing



Debt Summary

(\$ in millions)

	Capacity	Drawn	Maturity	Fixed/Variable	Rate
SBA debentures	\$150.0				
		\$14.0	Sep-22	Fixed	3.05%
		\$7.0	Sep-23	Fixed	4.45%
		\$5.0	Mar-24	Fixed	4.00%
		\$4.1	Sep-24	Fixed	3.82%
		\$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	\$150.0	\$149.9		Weighted Avg.	3.18%
Unamortized debt issuance costs		<u>(\$2.6)</u>			
Total SBA debentures		\$147.3		Effective Avg.	3.43% ¹
Unsecured notes	\$48.3	<u>\$48.3</u>	Apr-25	Fixed	6.38%
Revolving credit facility	\$50.0	<u>\$8.0</u>	Jan-20	Variable	Prime + 0.75% ²
Total		<u>\$203.6</u>			

¹ Includes upfront commitment and leverage fees that are amortized over the life of the debentures.

² Subject to 5.25% floor.



Financials

Condensed Consolidated Balance Sheets



(\$ in thousands)

	6/30/18 (unaudited)	3/31/18 (unaudited)	12/31/17 (audited)	9/30/17 (unaudited)	6/30/17 (unaudited)
Investments, at fair value	\$ 362,832	\$ 335,464	\$ 277,499	\$ 296,630	\$ 296,908
Cash and cash equivalents	22,665	31,926	72,952	53,868	46,920
Other assets	7,176	7,318	7,327	6,011	5,132
Total assets	<u>\$ 392,673</u>	<u>\$ 374,708</u>	<u>\$ 357,778</u>	<u>\$ 356,509</u>	<u>\$ 348,960</u>
SBA debentures	\$ 147,316	\$ 147,316	\$ 147,223	\$ 147,128	\$ 147,033
Unsecured notes	48,299	-	-	-	-
Revolving line of credit	8,000	40,950	17,600	17,100	6,000
Other liabilities	6,129	4,011	4,619	3,625	3,931
Total liabilities	<u>209,744</u>	<u>192,277</u>	<u>169,442</u>	<u>167,853</u>	<u>156,964</u>
Net assets	<u>182,929</u>	<u>182,431</u>	<u>188,336</u>	<u>188,656</u>	<u>191,996</u>
Total liabilities and net assets	<u>\$ 392,673</u>	<u>\$ 374,708</u>	<u>\$ 357,778</u>	<u>\$ 356,509</u>	<u>\$ 348,960</u>



Condensed Consolidated Statements of Operations

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Three Months Ended (Unaudited)

	6/30/18	3/31/18	12/31/17	9/30/17	6/30/17
Investment income					
Interest income	\$ 9,344	\$ 8,082	\$ 7,189	\$ 7,333	\$ 6,635
Payment-in-kind interest and dividend income	\$ 434	\$ 712	\$ 708	\$ 772	\$ 730
Dividends and fees	500	209	395	1,018	613
Total investment income	10,278	9,003	8,292	9,122	7,978
Expenses					
Interest expense	2,169	1,634	1,584	1,503	1,339
Management fees	1,548	1,360	1,273	1,310	1,224
Incentive fees	1,135	736	713	1,090	(22)
Other expenses	868	1,457	903	817	1,121
Total expenses	5,720	5,187	4,473	4,720	3,662
Net investment income	4,558	3,816	3,819	4,402	4,316
Net gain (loss) on investments	437	(324)	331	(3,227)	(6,597)
Net increase (decrease) in net assets resulting from operation	\$ 4,995	\$ 3,492	\$ 4,150	\$ 1,175	\$ (2,281)
Net investment income per share ¹	\$ 0.34	\$ 0.29	\$ 0.29	\$ 0.33	\$ 0.33
Net increase (decrease) in net assets resulting from operation	\$ 0.37	\$ 0.26	\$ 0.31	\$ 0.09	\$ (0.17)
Dividends and distributions declared per share	\$ 0.34	\$ 0.71	\$ 0.34	\$ 0.34	\$ 0.34
Basic and diluted weighted average shares outstanding	13,349	13,341	13,335	13,332	13,198

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

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