



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
November 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, OFS CLO Management II, LLC and OFS CLO Management III, 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, interest rate changes and elevated inflation rates, instability in the U.S. and international banking systems, uncertainties related to the 2024 U.S. presidential election, 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

- » \$395 million investment portfolio² (\$419 million in total assets)³
- » ~100% of loan portfolio is senior secured loans^{2, 4}
- » Loan portfolio is diversified across 14 industry sectors and 42 distinct loan obligors – no material exposure to cyclical sectors

Flexible Capital Structure

- » \$151 million net asset value (\$11.29 per share)³
- » No near-term liquidity needs with 50% of our outstanding debt maturing in 2027 and beyond. Unsecured funding makes up 72% of liability mix; total weighted average cost of debt of 6.5%⁵

Strong Track Record

- » Since 2011, OFS Capital has invested ~\$2.0 billion with an annualized net realized loss rate of ~23bps as of September 30, 2024^{6, 7}

Alignment of Interest

- » Management team averages over 30 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 September 30, 2024.

3. As of September 30, 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 September 30, 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. Realized loss rate does not include any net unrealized appreciation (depreciation) as of September 30, 2024.

Third Quarter 2024 Highlights



- » Net investment income for the third quarter of 2024 was \$0.27 per share, an increase of \$0.01 per share compared to the prior quarter, primarily due to increased performing income yields and lower general and administrative expenses.
- » Net loss on investments for the third quarter of 2024 was \$0.15 per share, primarily comprised of aggregate net losses of \$5.6 million on our loans and structured finance securities, which was partially offset by net gains of \$3.7 million on our equity securities.
- » Paid a quarterly distribution of \$0.34 per share on September 30, 2024, and declared a distribution of \$0.34 per share for the fourth quarter of 2024 payable on December 31, 2024 to stockholders of record as of December 20, 2024.¹
- » For the quarter ended September 30, 2024, the investment portfolio's weighted-average performing income yield increased to 13.6% from 13.4% during the prior quarter, primarily due to the sale of certain structured finance securities and the redeployment of proceeds into higher yielding CLO subordinated note securities.

(Per common share)	Quarter Ended	
	September 30, 2024	June 30, 2024
Net Investment Income		
Net investment income	\$ 0.27	\$ 0.26
Net Realized/Unrealized Gain (Loss)		
Net realized loss on investments, net of taxes	\$ (0.83)	\$ (0.32)
Net unrealized appreciation on investments, net of taxes	0.68	0.83
Net realized/unrealized gain (loss)	\$ (0.15)	\$ 0.51
Earnings (Loss)		
Earnings (loss)	\$ 0.12	\$ 0.77
Net Asset Value		
Net asset value	\$ 11.29	\$ 11.51
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 \$27.8 billion of assets¹
- OFS Capital Management has \$3.9 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**

- \$15.01 per share in distributions paid since 2012 IPO⁴
- Since 2011, OFS Capital has invested ~\$2.0 billion with an annualized net realized loss rate of 23bps^{3, 5, 7, 10}

» **Senior Secured Focus with Earnings Growth Potential**

- 91% of the loan portfolio is floating rate^{3, 6, 8}
- Seek to selectively make equity investments when we identify a strong opportunity - return on invested capital since inception of 1.57x for realized investments and 6.04x for unrealized investments^{6, 7}
- Potential to grow investment income as equity portfolio is rotated into higher income generating investments

» **Attractive Financing**

- Approximately 50% 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 September 30, 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 September 30, 2024.

7. Past performance is not indicative of future results.

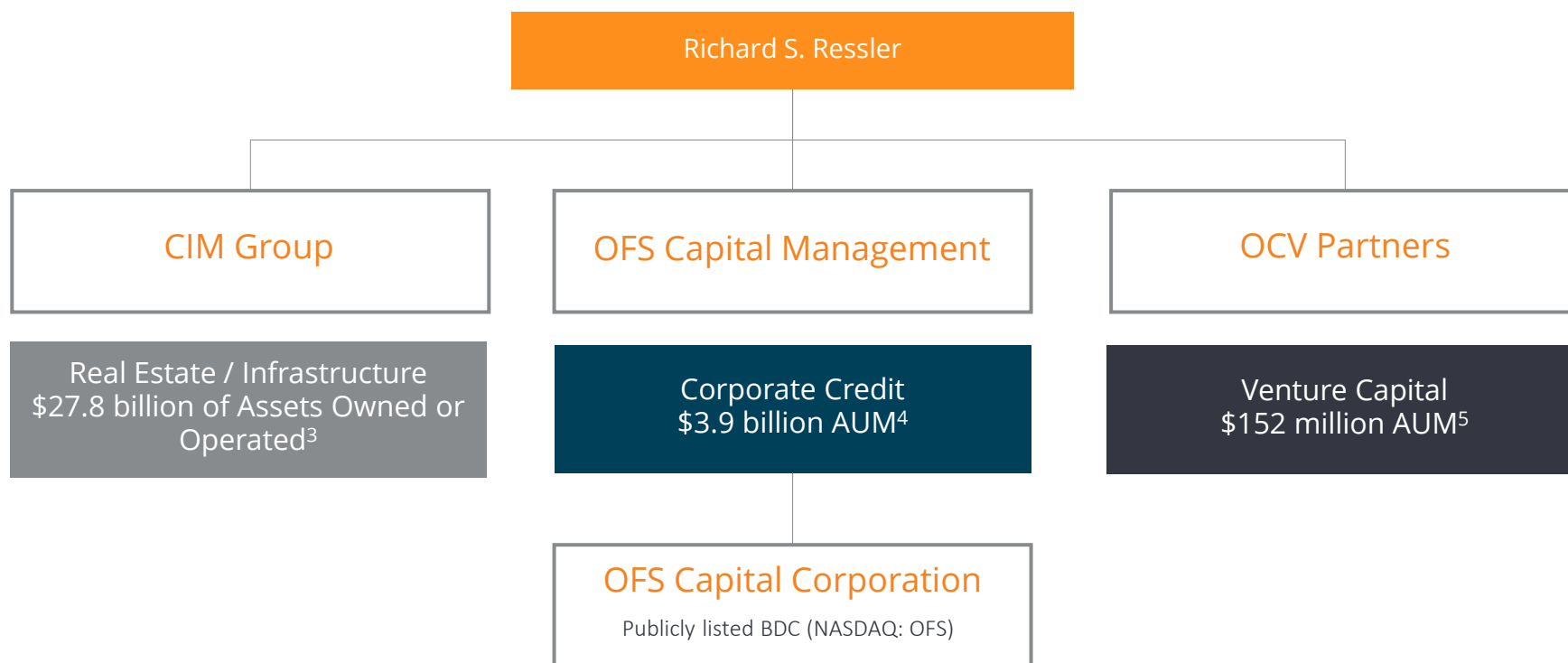
8. Excludes structured finance securities.

9. Based on outstanding principal drawn as of September 30, 2024.

10. Net realized gains (losses) represent the cumulative net gains (losses) realized on sold, significantly modified or restructured, or otherwise disposed investments. 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

- » OFS is part of a group of affiliated firms controlled by Richard Ressler that own, operate and manage approximately \$32 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 June 30, 2024. See Important Disclosures on page 2.
4. As of September 30, 2024.
5. As of June 30, 2024.

- » 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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\$3.9 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 CMBSs, 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

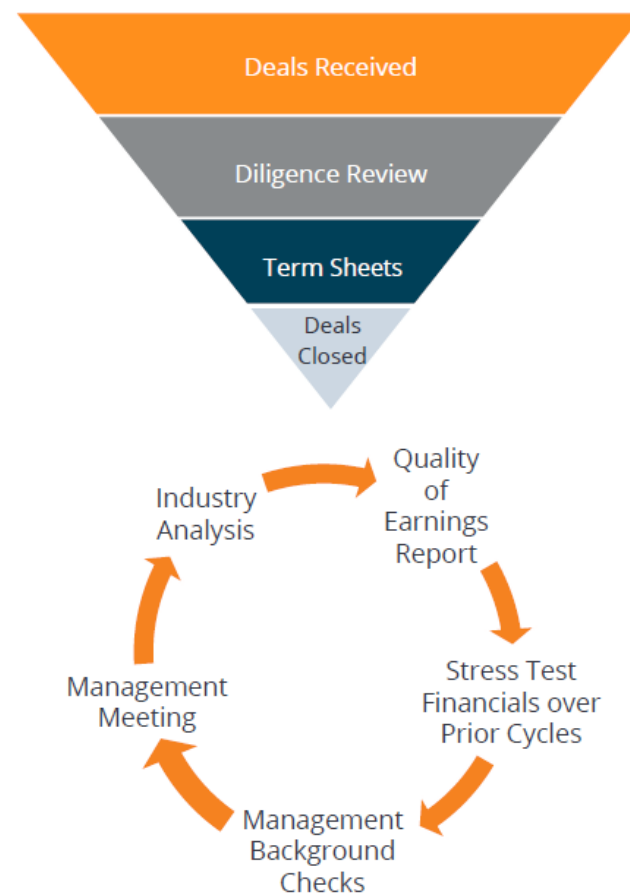
SMAs/Sub-advised accounts

CLO Funds

1. As of September 30, 2024.
2. Includes approximately \$124 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 and structured finance investments when we identify a strong opportunity
- » Return on invested capital on equity investments of 1.57x for realized investments and 6.04x for unrealized investments since inception¹



1. Past performance is not indicative of future results.

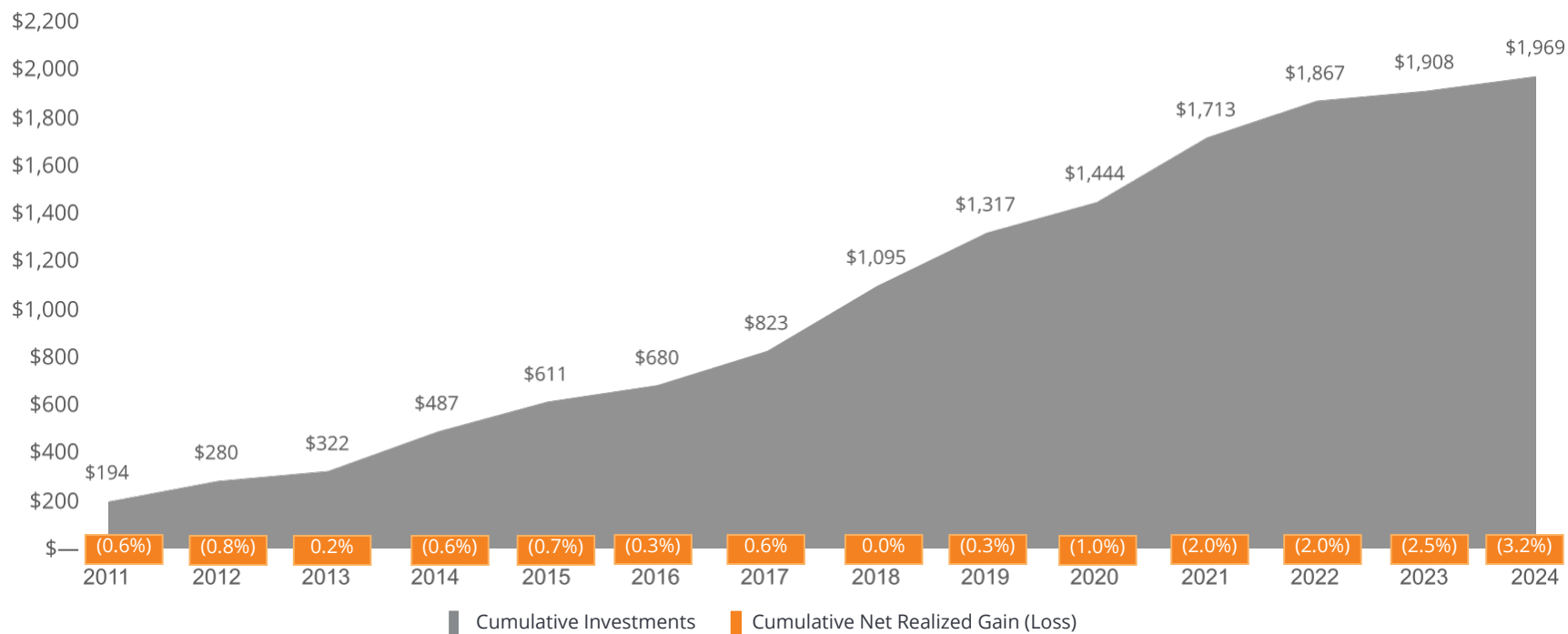
Strong Performance Track Record



» Since inception, OFS Capital has incurred an annualized net realized loss rate of approximately 23bps (cumulative net realized losses of only ~3.2%)¹

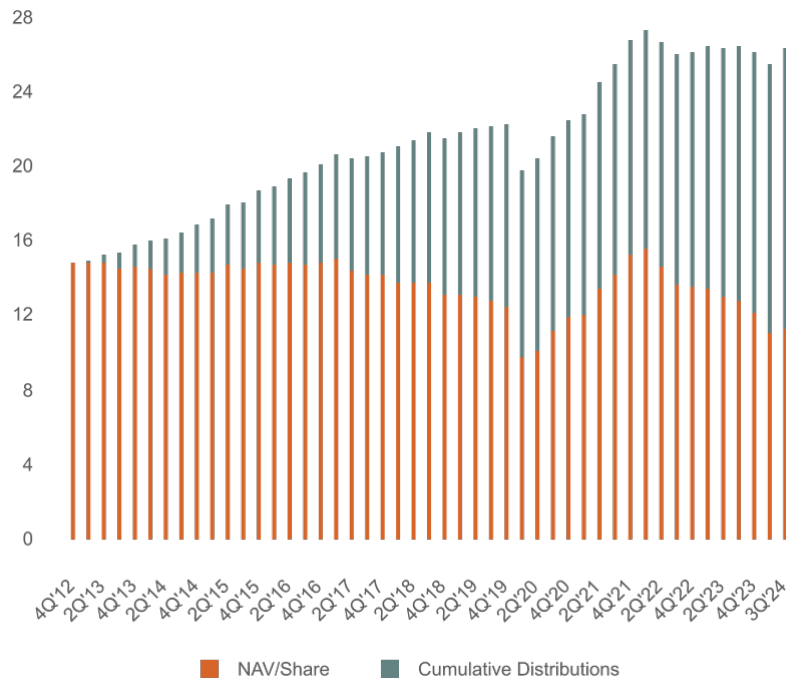
Cumulative Investments, Net Realized Gain (Loss) since 2011^{1, 2, 3}

(dollars in millions; excludes Interest and fee Income)

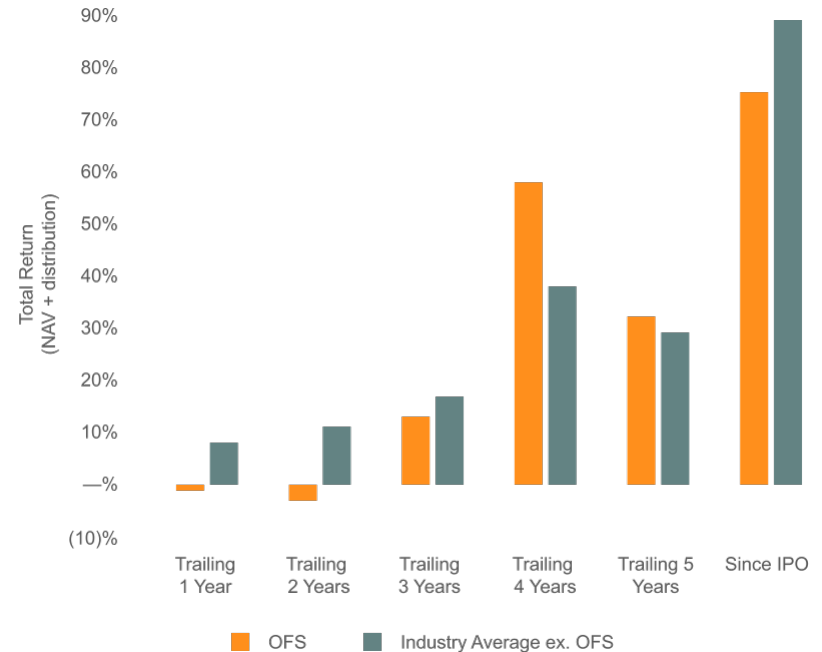


1. Cumulative realized gains (loss) for the years ended December 31, 2012 and 2011 give pro forma effect to OFS Capital's consolidation of OFS Capital WM, LLC as a result of the WM 2012 Credit Facility Amendments, as if the consolidation took place on January 1, 2011. Includes \$2.7 million realized 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 September 30, 2024 (approximately \$63.2 million), divided by cumulative originations for the same periods (approximately \$2.0 billion). The annualized percentage was calculated by dividing the cumulative net realized loss rate for the period January 1, 2011 through September 30, 2024 by the number of years for the same period.
2. Data is through September 30, 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.

NAV Per Share + Cumulative Distributions¹



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



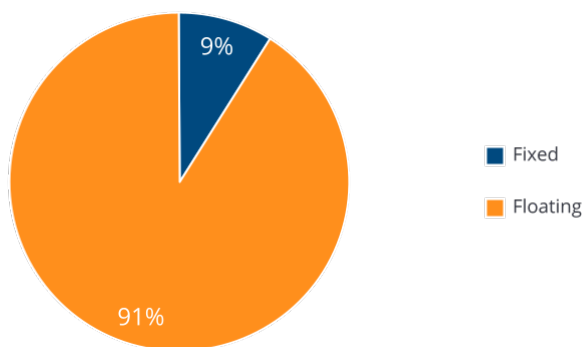
\$15.01 Per Share in Distributions Paid since 4Q'12 IPO¹

1. Distributions are not guaranteed. Past performance is not indicative of future results.
2. Performance data is as of 2Q'24. 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.

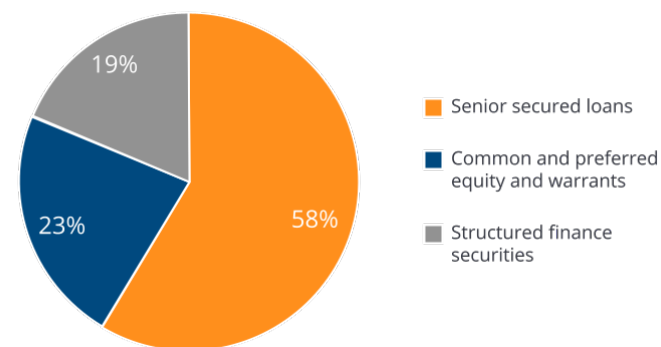
Diversified & Senior Secured Focused Portfolio¹

- » ~100% of the loan portfolio and ~59% of all investments are deployed in senior secured loans² 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.

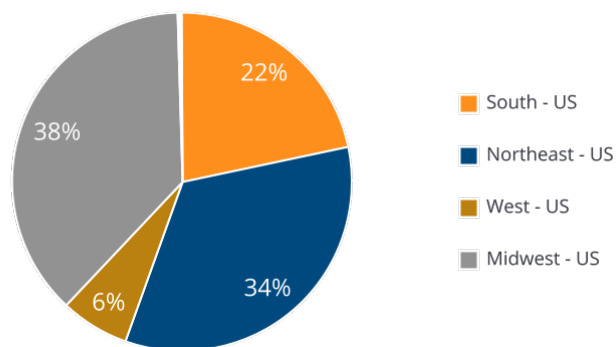
Interest Rate Type on Loans



Senior Loan Focus



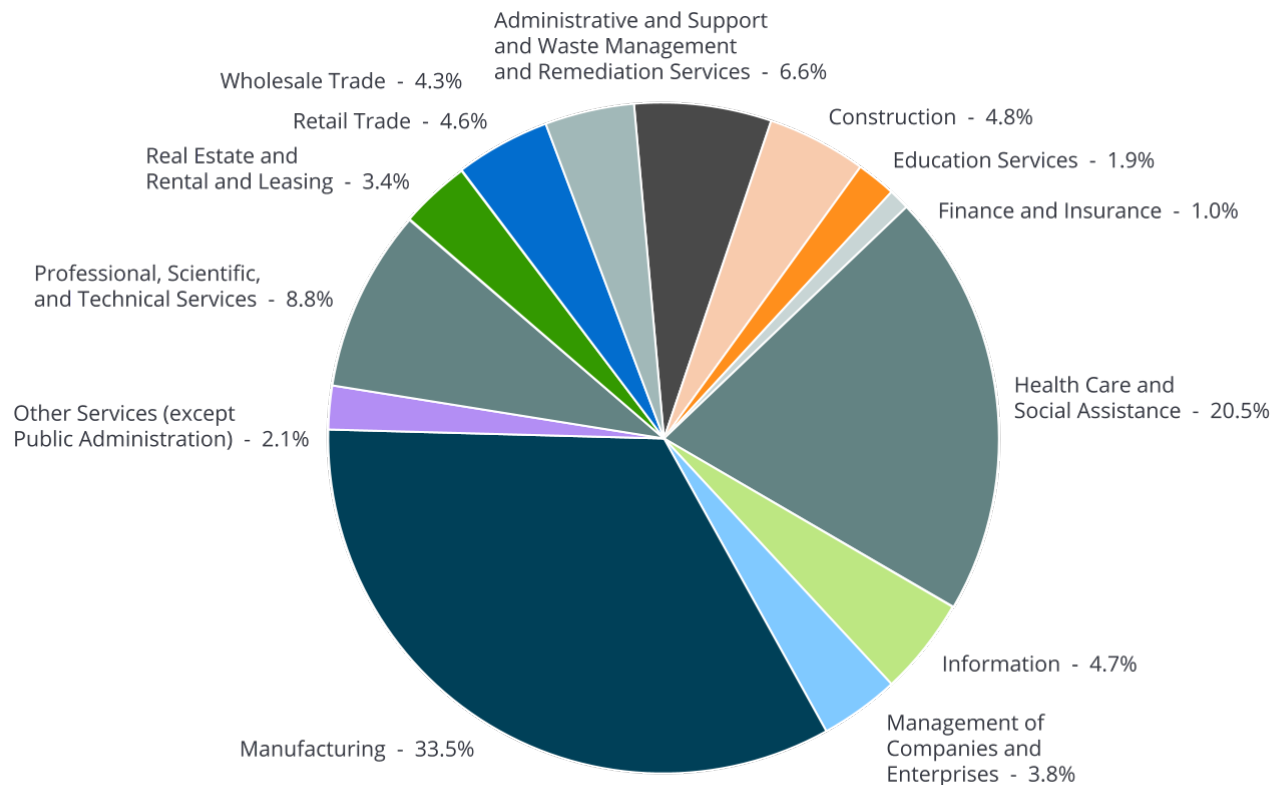
Portfolio Diversification by Region^{3, 4}



1. Based on fair value as of September 30, 2024.
2. Senior secured loans are comprised of first lien, second lien and unitranche loans.
3. The chart excludes investments domiciled in Canada which round to less than 0.5% of the portfolio, at fair value.
4. Excludes invested financances securities.

- » \$321 million invested in portfolio companies¹
- » 52 portfolio companies / ~\$6.2 million average investment¹
- » No material exposure to cyclical sectors (no direct oil and gas exposure)

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

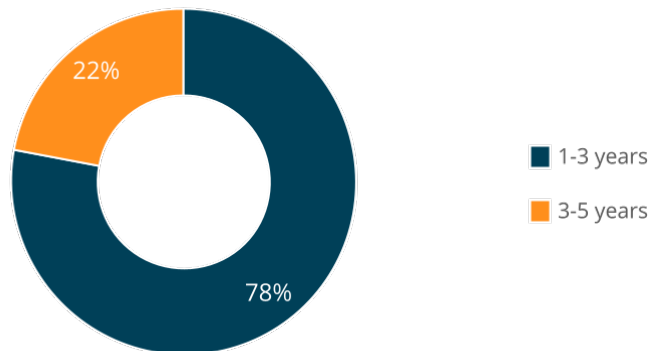


1. Based on fair value as of September 30, 2024. A debt or equity investment in a portfolio company. Excludes investments in structured finance securities.
 2. Percentages may not sum to 100% due to rounding. Chart does not display the public administration sector which represents less than 0.1% of the portfolio.

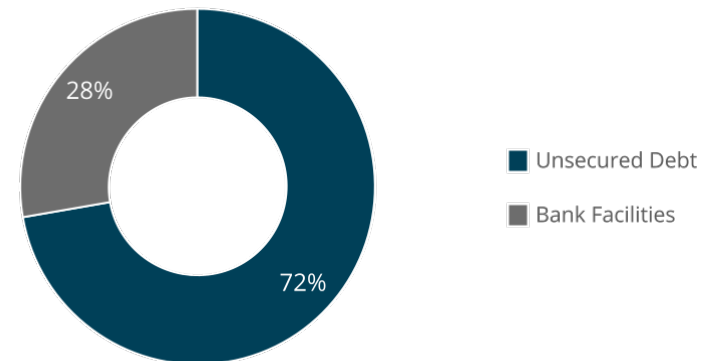
Debt Capital Summary as of September 30, 2024

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	(1.9)					
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	69.1	80.9	Jun-27	N/A	7.71%

Debt Mix by Remaining Term^{5, 6}



Debt Mix by Vehicle Type⁵



- Excludes deferred upfront commitment and leverage fees and other deferred financing 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. The Banc of California Credit Facility bears interest at the Prime Rate plus a 0.25% margin, with a 5.00% floor, and includes an annual commitment fee of \$125,000.
- The reinvestment period of the BNP Facility ends on June 20, 2025, upon which the ability to access the unused commitment of the facility terminates. The BNP Facility bears interest at a variable rate of SOFR plus a variable margin (2.65% floor).
- 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 September 30, 2024, we could access approximately \$53.5 million of the undrawn commitments on our two bank facilities and remain in compliance with our regulatory 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) because there was no outstanding balance as of September 30, 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 September 30, 2024.

Top Tier Industry Partners

- » 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

- » 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

- » 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

- » 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
- » Certain investments are classified as Level 2 and measured on market quotations provided by pricing services.

Robust Compliance

- » Overseen by an experienced legal and compliance team

Condensed Consolidated Balance Sheets



	Quarter Ended				
	9/30/2024	6/30/2024	3/31/2024	12/31/2023	9/30/2023
(\$ in thousands, except per share data)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
Assets					
Investments, at fair value	\$ 394,734	\$ 398,156	\$ 400,414	\$ 420,287	\$ 457,247
Cash	20,278	5,580	6,092	45,349	15,942
Other assets	3,526	4,139	3,963	4,182	3,793
Total assets	\$ 418,538	\$ 407,875	\$ 410,469	\$ 469,818	\$ 476,982
Liabilities					
Unsecured notes ¹	\$ 178,067	\$ 177,822	\$ 177,577	\$ 177,333	\$ 177,088
Revolving line of credit - BNP Paribas	69,100	69,100	78,500	90,500	91,100
SBA debentures ¹	—	—	—	31,900	31,870
Payable for investments purchased	14,680	—	—	—	—
Other liabilities	5,386	6,781	5,992	8,081	6,256
Total liabilities	267,233	253,703	262,069	307,814	306,314
Net assets	151,305	154,172	148,400	162,004	170,668
Total liabilities and net assets	\$ 418,538	\$ 407,875	\$ 410,469	\$ 469,818	\$ 476,982
Shares outstanding	13,398,078	13,398,078	13,398,078	13,398,078	13,398,078
Net asset value per share	\$ 11.29	\$ 11.51	\$ 11.08	\$ 12.09	\$ 12.74
GAAP leverage ratio	1.65x	1.62x	1.74x	1.87x	1.78x
Regulatory leverage ratio	1.65x	1.62x	1.74x	1.67x	1.59x
Regulatory asset coverage ratio ²	161%	162%	157%	160%	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)				
	9/30/2024	6/30/2024	3/31/2024	12/31/2023	9/30/2023
(\$ in thousands, except per share data)					
Investment income					
Interest income	\$ 10,613	\$ 10,854	\$ 11,393	\$ 12,884	\$ 14,291
Dividend income	290	280	2,711	342	334
Fee income	15	31	129	257	26
Total investment income	10,918	11,165	14,233	13,483	14,651
Expenses					
Interest expense	4,022	4,117	4,572	4,684	4,913
Management fees	1,472	1,478	1,523	1,645	1,796
Incentive fee - net investment income	901	859	1,399	1,174	1,348
Other expenses	920	1,274	1,143	1,284	1,204
Total expenses	7,315	7,728	8,637	8,787	9,261
Net investment income	3,603	3,437	5,596	4,696	5,390
Net realized gain (loss) from investments	(11,116)	(4,304)	798	(1,110)	118
Net unrealized appreciation (depreciation) on investments	9,201	11,195	(15,443)	(7,695)	(3,513)
Net gain (loss) on investments	(1,915)	6,891	(14,645)	(8,805)	(3,395)
Loss on extinguishment of debt	—	—	—	—	(194)
Net increase (decrease) in net assets resulting from operations	\$ 1,688	\$ 10,328	\$ (9,049)	\$ (4,109)	\$ 1,801
Net investment income per common share - basic and diluted ¹	\$ 0.27	\$ 0.26	\$ 0.42	\$ 0.35	\$ 0.40
Net gain (loss) on investments, per share ¹	\$ (0.15)	\$ 0.51	\$ (1.09)	\$ (0.66)	\$ (0.25)
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	\$ 0.12	\$ 0.77	\$ (0.67)	\$ (0.31)	\$ 0.14
Distributions declared per common share	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.34	\$ 0.34
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	9.4 %	9.1 %	14.4 %	11.3%	12.5%
Annualized return on average equity - net change in net assets from operations	4.4 %	27.3 %	(23.3) %	(9.9%)	4.2%

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