



OFS

## OFS Credit Company, Inc. ("OCCI")

NASDAQ: OCCI (common stock)

NASDAQ: OCCIN and OCCIO (preferred stock)

Investor Presentation  
September 2023

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**OFS** is a brand name and is meant to include Orchard First Source Asset Management Holdings, LLC, its direct and indirect subsidiaries, including OFS Capital Management, LLC, OFS CLO Management, LLC and OFS CLO Management II, LLC, which are registered investment advisers, OFS Capital 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 those caused by the impacts of the ongoing war between Russia and Ukraine, rising interest and elevated inflation rates, the risk of recession 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.

<b>Overview</b>	<ul style="list-style-type: none"> <li>» OCCI is a Nasdaq-listed closed-end fund that primarily invests in CLO equity and debt securities</li> <li>» Per share Net Asset Value of \$8.02 as of July 31, 2023</li> </ul>
<b>Advisor</b>	<ul style="list-style-type: none"> <li>» OFS was established in 1994 and has \$4.3 billion of assets under management<sup>1</sup></li> <li>» Focused on: (1) structuring and investing in CLO equity and CLO debt; (2) managing CLOs (investing in broadly syndicated loans financed through CLOs); and (3) direct loan origination</li> </ul>
<b>Alignment of Interest</b>	<ul style="list-style-type: none"> <li>» As of July 31, 2023, insiders own ~6.0% of OCCI's common shares</li> </ul>
<b>CLOs are an attractive asset class</b>	<ul style="list-style-type: none"> <li>» Collateralized by floating rate loans of large, U.S.-based corporations</li> <li>» Diversified by a large number of distinct underlying borrowers across various industry sectors with varying vintages</li> <li>» Financed with matched funding (meaning that investments are planned to correspond to the timing of payments on financing)</li> </ul>
<b>Historical Dividends</b>	<ul style="list-style-type: none"> <li>» Annual Distribution of \$2.20<sup>2, 3</sup></li> <li>» ~\$10.73 of distributions declared since October 2018 IPO<sup>4</sup></li> </ul>

## Why OFS and OCCI?

Long-Standing CLO Manager with Expertise in Structuring CLOs and Investing in the Underlying Corporate Loans

OFS is an Experienced CLO Equity Investor

Robust Credit Team with Analyst Coverage of the Senior Secured Loan Market

OFS has a Strong Balance Sheet and Low Leverage

<sup>1</sup> As of June 30, 2023. Includes OFS Capital Management, LLC, and its affiliated registered investment advisers, OFS CLO Management, LLC and OFS CLO Management II, LLC. | <sup>2</sup> Reflects annualized distribution rate on the most recent \$0.55 per share distribution declared on the shares of common stock by the Board for the fiscal quarter ending October 31, 2023. The distribution is payable in cash or shares of our common stock on October 31, 2023 at the election of stockholders, to stockholders of record as of September 15, 2023. The total amount of cash distributed to all stockholders will be limited to 20% of the total distribution, excluding any cash paid for fractional shares. The remainder of the distribution (approximately 80%) will be paid in the form of shares of our common stock. The exact distribution of cash and stock to any given stockholder will be dependent upon his/her/its election as well as elections of other stockholders, subject to the pro-rata limitation. | <sup>3</sup> For the fiscal year ended October 31, 2023, OCCI estimates that 63.0% of fiscal year-to-date distributions were from ordinary income and 37.0% is from return of capital. The Company's fiscal year differs from the calendar year period on which the tax character of distributions is determined for Form 1099-DIV reporting purposes. The ultimate tax character of the Company's distributions cannot be determined until the corresponding tax return is filed. The estimated information provided is not for tax reporting purposes and could differ materially from amounts reported to common shareholders on Form 1099-DIV. Past performance is not indicative of future results, and distributions are not guaranteed. | <sup>4</sup> Includes distribution declared on September 1, 2023.

# Third Fiscal Quarter 2023 Highlights<sup>1</sup>

- » Net investment income (“NII”) of \$3.8 million, or \$0.34 per common share, for the fiscal quarter ended July 31, 2023. This compares to NII of \$3.6 million, or \$0.35 per common share, for the fiscal quarter ended April 30, 2023. Net Asset Value per common share of \$8.02 as of July 31, 2023.
- » Core net investment income (“Core NII”)<sup>2</sup> of \$7.0 million, or \$0.62 per common share, for the fiscal quarter ended July 31, 2023. Core NII increased \$1.0 million, or \$0.03 per common share, from the prior quarter primarily due to an increase in CLO equity issuers making their initial cash distribution payments.
- » On September 1, 2023, OFS Credit’s board of directors declared a quarterly distribution of \$0.55 per share of common stock for the fiscal quarter ending October 31, 2023. The distribution is payable on October 31, 2023 in cash or shares of our common stock to stockholders of record as of September 15, 2023. The total amount of cash distributed to all stockholders will be limited to 20% of the total distribution, excluding any cash paid for fractional shares.
- » During the fiscal quarter ended July 31, 2023, the earned income yield of our investment portfolio at amortized cost was 14.7%.

	<b>Fiscal Quarter Ended (unaudited)</b>	
	<b>7/31/2023</b>	<b>4/30/2023</b>
<b>Net Investment Income Per Share</b>		
Net investment income	\$ 0.34	\$ 0.35
<b>Net Realized/Unrealized Gain (Loss) Per Share</b>		
Net change in unrealized depreciation on investments	\$ (0.29)	\$ (1.49)
Net loss	\$ (0.29)	\$ (1.49)
<b>Earnings (Loss) Per Share</b>		
Earnings (loss)	\$ 0.05	\$ (1.14)
<b>Core Net Investment Per Share</b>		
Net investment income	\$ 0.34	\$ 0.35
CLO equity adjustments	0.28	0.24
Core net investment income	\$ 0.62	\$ 0.59
<b>Distribution Data Per Share</b>		
Distributions paid	\$ 0.55	\$ 0.55

1. Past performance is not indicative of future results, and distributions are not guaranteed.

2. Core NII is a financial measure calculated and presented on a basis of methodology other than in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Core NII represents NII adjusted for differences in applicable cash distributions received on our CLO equity investments relative to income recognized in accordance with GAAP. See slide 17 “Supplemental Schedule - Core Net Investment Income” for additional information. Interest waterfall payments in excess of interest income accretion on CLO equity investments.



- » **We believe CLO equity has the potential to generate higher quarterly cash distributions relative to other high-yielding credit investments**
  - CLOs primarily invest in a diversified pool of loans to large, rated U.S. corporations
  - Generally, first lien senior secured
  - Floating rate loans and liabilities providing natural hedge in a changing rate environment
  - Deep asset class with ~\$955 billion of CLOs outstanding<sup>1</sup>
- » **Access to infrastructure and resources of large platform**
  - OFS Capital Management is focused on investing in corporate credit and has \$4.3 billion in assets under management<sup>2</sup>
  - Senior management has worked together for over 10 years
- » **OFS Capital Management is uniquely positioned to manage OFS Credit Company**
  - OFS Capital Management has dual experience as both a CLO equity investor (structuring expertise) and CLO manager (deep knowledge of underlying senior secured corporate loans)
  - OFS has managed CLOs since its inception and has invested over \$22 billion in more than 11,000 transactions primarily through CLO vehicles<sup>3</sup>

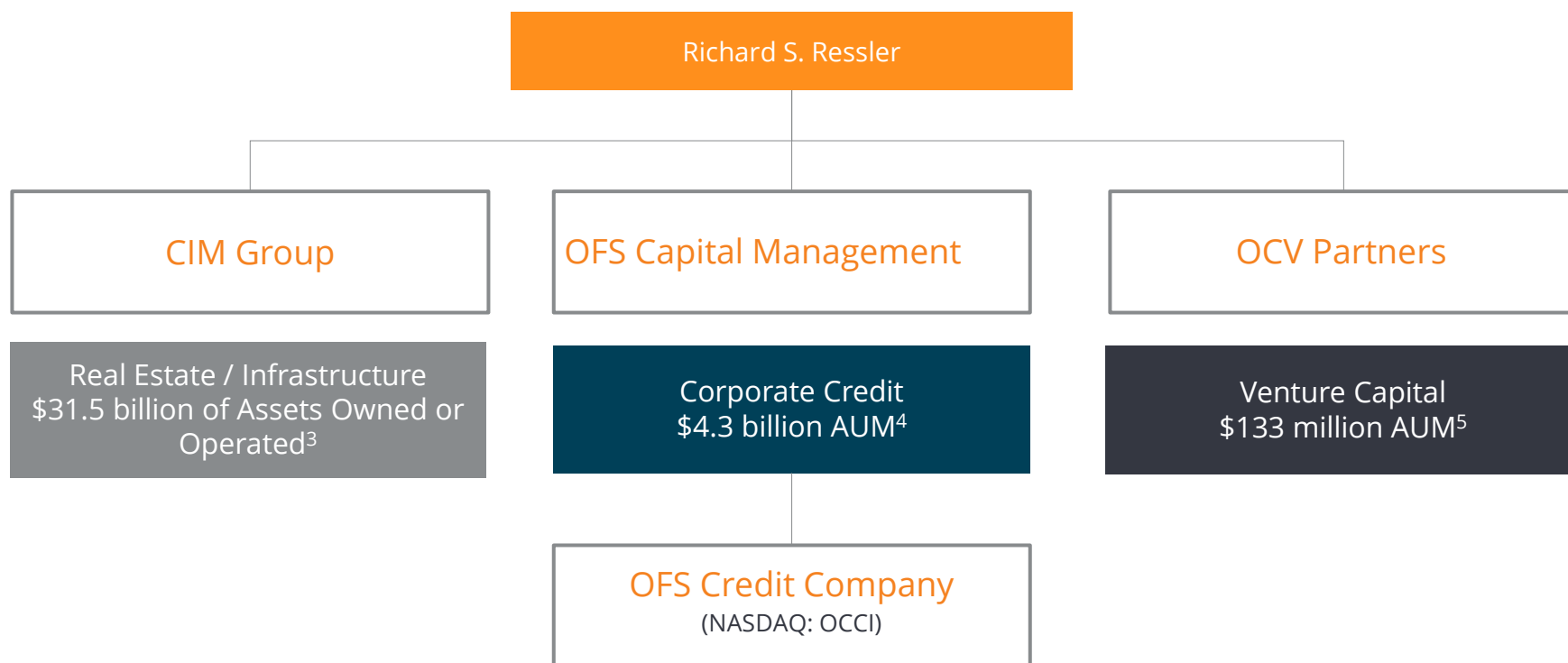
1. Source: BofA Global Research. As of June 30, 2023.

2. As of June 30, 2023. Includes OFS Capital Management, LLC, and its affiliated registered investment advisers, OFS CLO Management, LLC and OFS CLO Management II, LLC.

3. Refers to CLOs that OFS Capital Management managed and OFS CLO Management and OFS CLO Management II manage. These CLOs are not held by OFS Credit.

# Access to Infrastructure and Resources of Large Platform<sup>1</sup> OFS CREDIT

- » OFS is part of a group of affiliated firms controlled by Richard Ressler that own, operate and manage more than \$35 billion of real assets and corporate credit
- » Since 1994, OFS Capital Management<sup>2</sup> has invested over \$22 billion in more than 11,000 transactions and has offices in Chicago, Los Angeles and New York City



<sup>1</sup> 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.

<sup>2</sup> Includes Orchard First Source Asset Management Holdings, LLC, its predecessor entity, and its direct and indirect subsidiaries.

<sup>3</sup> As of March 31, 2023. See Important Disclosures on page 1.

<sup>4</sup> As of June 30, 2023.

<sup>5</sup> As of March 31, 2023.

# Access to Infrastructure and Resources of Large Platform **OFS**CREDIT

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

## OFS

\$4.3 Billion  
Assets Under Management<sup>1</sup>

### Middle Market Lending

- » Primarily invests in senior secured, floating rate loans to US based middle-market borrowers
- » Publicly traded BDC, OFS Capital Corporation (NASDAQ: "OFS")
- » Hancock Park Corporate Income, Inc. - non-listed BDC

### Structured Credit Investing

- » Structure and invest in CMBS, CLO equity and debt
- » Publicly traded closed-end fund, OFS Credit Company, Inc. (NASDAQ: "OCCI")
- » 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**

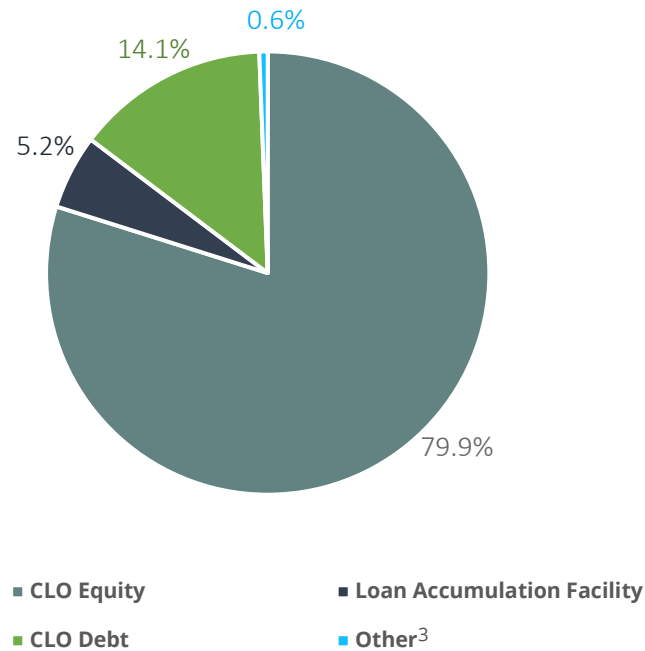
**SMAs/Sub-advised accounts**

**CLO Facilities**

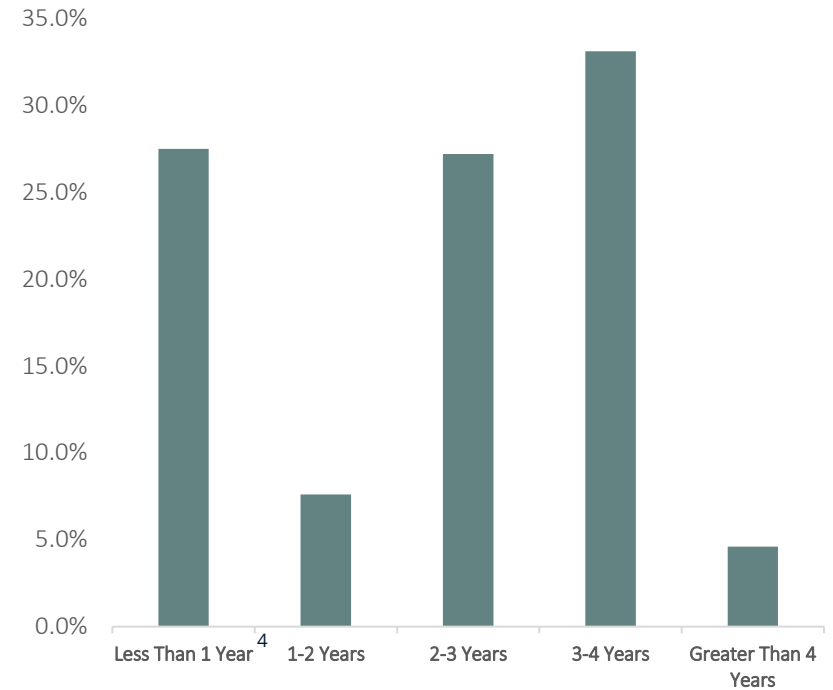
1. As of June 30, 2023. Includes OFS Capital Management, LLC, and its affiliated registered investment advisers, OFS CLO Management, LLC and OFS CLO Management II, LLC.

# Portfolio Composition and Years of Reinvestment

**Portfolio Composition<sup>1</sup>**



**Years of Reinvestment Period<sup>2</sup>**



1. Based on fair value as of July 31, 2023.  
2. Weighted by fair value as of July 31, 2023. Includes estimated reinvestment end dates for warehouse investments and unsettled trades.  
3. Represents the fair value of discounted cash flows from additional fees earned from CLO equity investments.  
4. Includes securities out of re-investment period.



	Fiscal Quarter Ended (unaudited)				
	7/31/2023	4/30/2023	1/31/2023	10/31/2022	7/31/2022
<b>Select Portfolio Funds Roll Data</b>					
Beginning investment balance at cost	\$ 187,809,208	\$ 181,161,434	\$ 179,126,268	\$ 177,386,461	\$ 174,603,309
Portfolio purchases	10,934,220	9,659,000	5,801,101	1,840,000	5,176,754
Portfolio sales/repayments	(2,135)	(2,482)	(573)	(195,245)	(1,392,392)
Accretion/amortization <sup>1</sup>	6,486,103	6,624,691	6,924,430	7,016,347	6,397,657
CLO equity waterfall payments and warehouse payoffs	(9,606,600)	(9,633,435)	(10,689,792)	(6,921,295)	(7,398,867)
Ending investment balance at cost	\$ 195,620,796	\$ 187,809,208	\$ 181,161,434	\$ 179,126,268	\$ 177,386,461

	Fiscal Quarter Ended (unaudited)				
	7/31/2023	4/30/2023	1/31/2023	10/31/2022	7/31/2022
<b>Investment Mix - Based on Fair Value</b>					
CLO equity	\$ 117,452,848	\$ 120,250,397	\$ 137,914,380	\$ 130,771,527	\$ 134,534,772
CLO debt	20,738,248	14,034,112	4,427,518	2,524,715	702,229
Loan accumulation facility	7,988,000	7,363,500	7,835,038	11,879,750	12,031,250
Other <sup>2</sup>	896,387	935,090	938,813	591,886	634,955
Total Investments	\$ 147,075,483	\$ 142,583,099	\$ 151,115,749	\$ 145,767,878	\$ 147,903,206

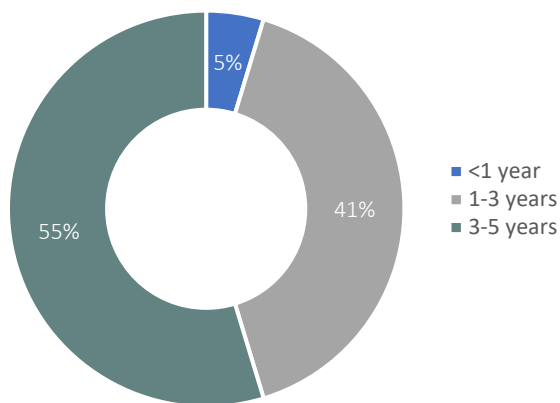
1. Includes CLO equity and debt accretion.

2. Represents the fair value of discounted cash flows from additional fees earned from CLO equity investments.

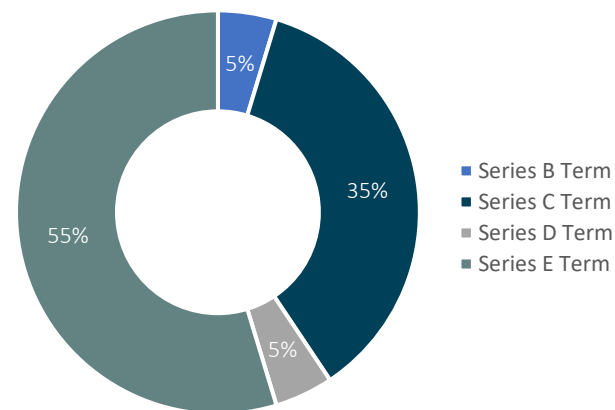
# Debt Capital Summary as of July 31, 2023

Funding Source:	Outstanding Par	NASDAQ Ticker	Coupon	Payment Frequency	Optional Redemption Date	Maturity Date
<b>Preferred Stock</b>						
Series B Term Preferred Stock	\$ 3,000,000	N/A	6.600%	Monthly	March 31, 2021	November 19, 2023
Series C Term Preferred Stock	23,000,000	OCCIO	6.125%	Monthly	April 30, 2023	April 30, 2026
Series D Term Preferred Stock	3,000,000	N/A	6.000%	Monthly	June 30, 2022	June 10, 2026
Series E Term Preferred Stock	35,000,000	OCCIN	5.250%	Monthly	December 31, 2023	December 31, 2026
<b>Total Preferred Stock</b>	<b>\$ 64,000,000</b>		<b>5.663%</b>			

Debt Mix by Remaining Legal Term<sup>1</sup>



Preferred Stock by Series

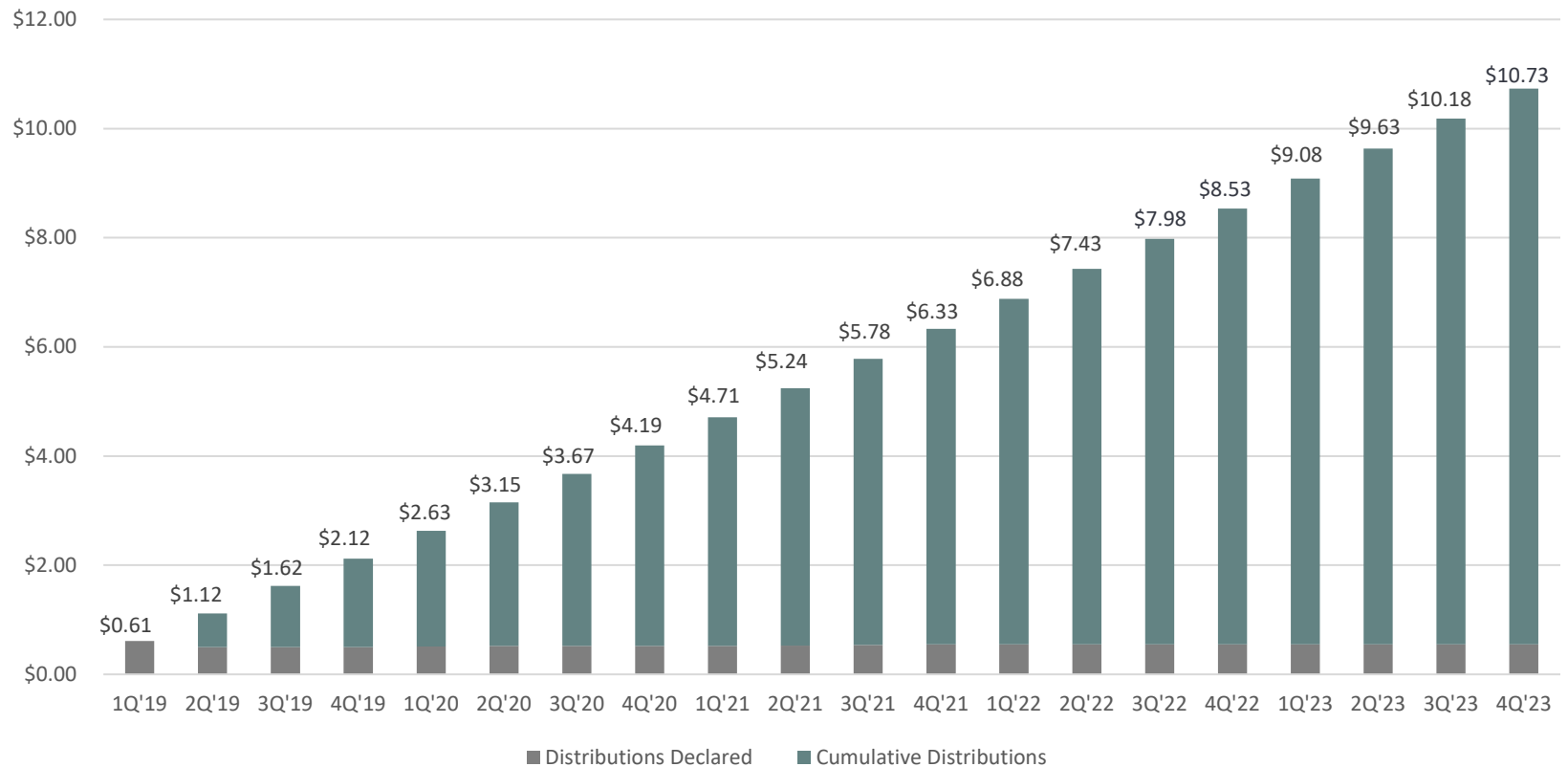


1. Percentages may not sum to 100% due to rounding

\$10.73 per share in distributions declared since inception<sup>1</sup>

Average quarterly distribution of \$0.54 per share<sup>1</sup>

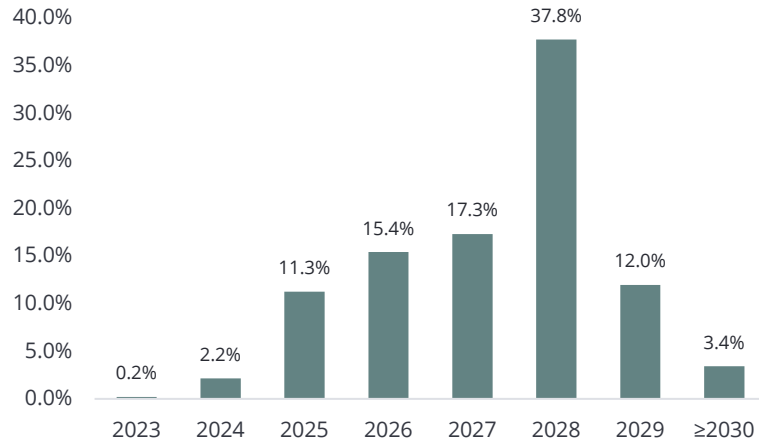
**Cumulative Distributions<sup>1</sup>**



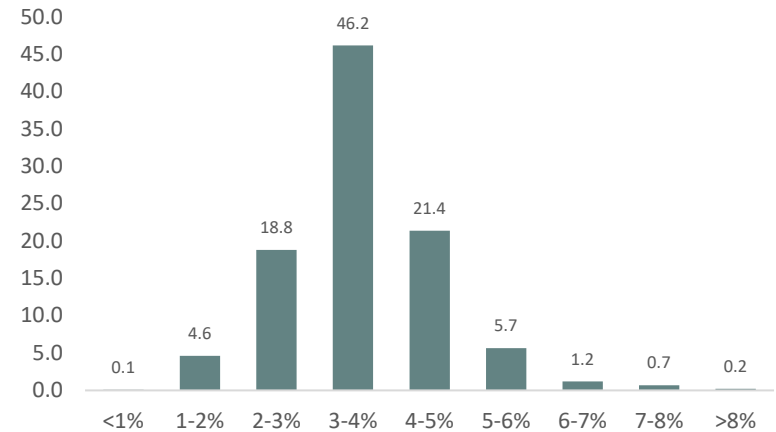
1. Distributions are not guaranteed. Past performance is not indicative of future results. Includes the most recent distribution declared on September 1, 2023.

# Underlying Portfolio Characteristics

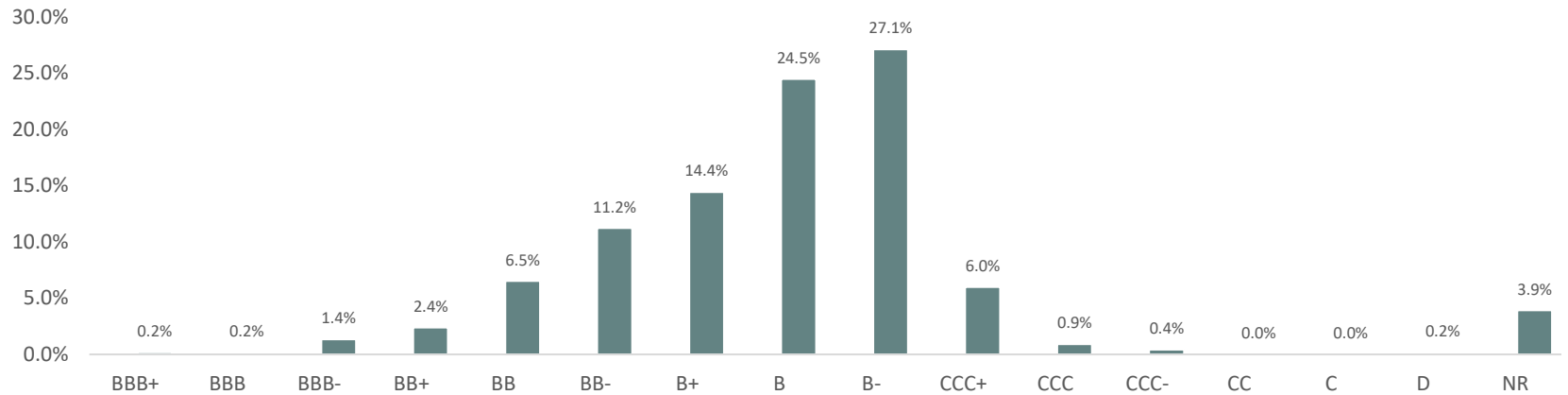
**Maturity Distribution of Underlying Obligor<sup>1</sup>**



**Spread Distribution of Underlying Obligor<sup>1</sup>**



**S&P Rating Distribution of Underlying Obligor<sup>1, 2</sup>**



1. Source: CLO trustee reports as reported by Intex. Based on the issuers' most recently reported positions as of July 31, 2023 and weighted by par value as of July 31, 2023. Percentages may not sum to 100% due to rounding.  
 2. NR represents underlying obligors not rated by S&P.

# Industry Exposure and Top 10 Obligators<sup>1</sup>

Top 10 Industries of Underlying Obligators	
Moody's Industry Name	07/31/23 % of Total
High Tech Industries	10.6%
Healthcare & Pharmaceuticals	10.1%
Services: Business	9.2%
Banking, Finance, Insurance & Real Estate	8.8%
Media: Broadcasting & Subscription	5.1%
Chemicals, Plastics & Rubber	5.0%
Construction & Building	4.7%
Hotel, Gaming & Leisure	4.6%
Telecommunications	4.1%
Services: Consumer	4.0%
<b>Total</b>	<b>66.2%</b>

Top 10 Underlying Obligators	
Obligor	07/31/23 % of Total
Asurion	0.7%
Centurylink	0.5%
Cablevision Systems	0.5%
Altice France	0.5%
Athenahealth	0.5%
Peraton	0.4%
Mcafee	0.4%
Mozart Debt Merger Sub	0.4%
Allied Universal Holdco	0.4%
Univision Communications	0.4%
<b>Total</b>	<b>4.7%</b>

1. Source – CLO trustee reports as reported by INTEX.

# OFS

Appendices



# Experienced Leadership of OFS Capital Management

Experienced management team that has underwritten through multiple business cycles.

The Senior Investment Team of OFS averages over 25 years of experience structuring and investing in CLOs, debt securities, and loans

<b>Bilal Rashid</b>	<ul style="list-style-type: none"><li>» President and Senior Managing Director of OFS Capital Management</li><li>» Chairman, President and Chief Executive Officer of OCCI</li></ul>	<ul style="list-style-type: none"><li>» 25+ years of experience (10+ with OFS)</li><li>» Formerly Head of Global Structured Credit At Merrill Lynch, which included CLO team</li><li>» Actively involved in originating, structuring and managing CLOs throughout career</li></ul>
<b>Jeff Cerny</b>	<ul style="list-style-type: none"><li>» Chief Financial Officer and Senior Managing Director of OFS Capital Management</li><li>» Director and Chief Financial Officer of OCCI</li></ul>	<ul style="list-style-type: none"><li>» 35+ years experience (20+ with OFS)</li><li>» Actively involved in structuring and managing CLOs since 2000</li></ul>
<b>Glen Ostrander</b>	<ul style="list-style-type: none"><li>» Managing Director of OFS Capital Management – Structured Credit Portfolio Manager</li></ul>	<ul style="list-style-type: none"><li>» 25+ years of experience (10+ with OFS)</li><li>» Previously worked in Structured Credit group at Merrill Lynch</li><li>» Actively involved in originating, structuring and managing CLOs throughout career</li></ul>
<b>Ken Brown</b>	<ul style="list-style-type: none"><li>» Managing Director of OFS Capital Management – Broadly Syndicated Loan Portfolio Manager</li></ul>	<ul style="list-style-type: none"><li>» 25+ years experience (15+ with OFS)</li><li>» Previously Vice President at GE Antares Capital</li><li>» Actively involved in managing CLOs since 2011</li></ul>

# Condensed Balance Sheets

	Fiscal Quarter Ended				
	7/31/2023 (Unaudited)	4/30/2023 (Unaudited)	1/31/2023 (Unaudited)	10/31/2022 (Audited)	7/31/2022 (Unaudited)
<b>Assets</b>					
Investments, at fair value	\$ 147,075,483	\$ 142,583,099	\$ 151,115,749	\$ 145,767,878	\$ 147,903,206
Cash	22,541,930	16,668,884	14,863,217	12,540,909	8,675,066
Other assets	1,520,157	778,406	726,926	722,297	483,185
Total assets	<u>\$ 171,137,570</u>	<u>\$ 160,030,389</u>	<u>\$ 166,705,892</u>	<u>\$ 159,031,084</u>	<u>\$ 157,061,457</u>
<b>Liabilities</b>					
Preferred stock, net	\$ 62,651,642	\$ 62,536,463	\$ 62,421,284	\$ 62,306,105	\$ 62,190,926
Payable to adviser and affiliates	2,252,174	2,326,371	2,390,653	2,325,645	2,166,071
Payable for investments purchased	-	2,958,647	-	-	-
Other liabilities	476,026	433,283	568,500	189,333	380,873
Total liabilities	<u>65,379,842</u>	<u>68,254,764</u>	<u>65,380,437</u>	<u>64,821,083</u>	<u>64,737,870</u>
Net Assets	<u>105,757,728</u>	<u>91,775,625</u>	<u>101,325,455</u>	<u>94,210,001</u>	<u>92,323,587</u>
Total liabilities and net assets	<u>\$ 171,137,570</u>	<u>\$ 160,030,389</u>	<u>\$ 166,705,892</u>	<u>\$ 159,031,084</u>	<u>\$ 157,061,457</u>
Number of shares outstanding	13,187,300	10,816,509	9,997,837	9,442,550	8,700,340
Net asset value per share	\$ 8.02	\$ 8.48	\$ 10.13	\$ 9.98	\$ 10.61
Preferred stock / net assets	0.61x	0.70x	0.63x	0.68x	0.69x

# Condensed Statements of Operations

OFS CREDIT

	Fiscal Quarter Ended (unaudited)				
	7/31/2023	4/30/2023	1/31/2023	10/31/2022	7/31/2022
<b>Investment income</b>					
Interest Income	\$ 7,228,780	\$ 6,908,517	\$ 7,479,588	\$ 7,503,898	\$ 6,849,518
<b>Expenses</b>					
Interest Expense	1,021,241	1,021,241	1,021,241	1,021,241	1,021,241
Management fees	750,181	688,480	730,700	699,551	690,772
Administrative fees	322,663	279,852	289,395	288,793	326,811
Professional fees	243,736	174,628	217,953	174,254	211,150
Other general & administrative expenses	80,253	230,188	414,974	381,310	217,180
Total expenses	2,418,074	2,394,389	2,674,263	2,565,149	2,467,154
Pre-incentive fee net investment income	4,810,706	4,514,128	4,805,325	4,938,749	4,382,364
Incentive fee	962,141	902,825	961,065	987,750	876,473
Net investment income	3,848,565	3,611,303	3,844,260	3,950,999	3,505,891
Net unrealized appreciation (depreciation) on investments	(3,319,205)	(15,180,424)	3,312,705	(3,875,136)	(13,545,693)
Net increase (decrease) in net assets resulting from operations	\$ 529,360	\$ (11,569,121)	\$ 7,156,965	\$ 75,863	\$ (10,039,802)
Weighted average common shares outstanding	11,355,932	10,174,469	9,457,054	8,894,451	8,313,774
<b>Earnings per common share</b>					
Net investment income per common share	\$ 0.34	\$ 0.35	\$ 0.41	\$ 0.44	\$ 0.42
Net gain (loss) on investments per common share	(0.29)	(1.49)	0.35	(0.43)	(1.63)
Earnings (loss) per common share	\$ 0.05	\$ (1.14)	\$ 0.76	\$ 0.01	\$ (1.21)

# Supplemental Schedule - Core Net Investment Income

We provide information relating to Core NII (a non-GAAP measure) on a supplemental basis. This measure is not provided as a substitute for GAAP NII, but in addition to it. Our non-GAAP measures may differ from similar measures by other companies, even in the event of similar terms being utilized to identify such measures. Core NII represents GAAP NII adjusted for differences in applicable cash distributions received on our CLO equity investments relative to income recognized in accordance with GAAP. OFS Capital Management, LLC, our investment adviser, uses this information in its internal analysis of results and believes that this information may be informative in gauging the quality of the Company's financial performance, identifying trends in its results, and providing meaningful period-to-period comparisons.

Income from investments in the "equity" class securities of CLO vehicles, for GAAP purposes, is recorded using the effective interest method; this is based on an effective yield to the expected redemption utilizing estimated cash flows, at current amortized cost, including those CLO equity investments that have not made their inaugural distribution for the relevant period end. The result is an effective yield for the investment in which the respective investment's cost basis is adjusted quarterly based on the difference between the actual cash received, or distributions entitled to be received, and the effective yield calculation. Accordingly, investment income recognized on CLO equity securities in the GAAP statement of operations differs from the cash distributions actually received by the Company during the period (referred to below as "CLO equity adjustments").

Furthermore, in order for the Company to continue to qualify for tax treatment as a regulated investment company, we are required, among other things, to distribute at least 90% of our investment company taxable income annually. Therefore, Core NII may provide a better indication of our estimated taxable income for a reporting period than GAAP NII; we can offer no assurance that will be the case, however, as the ultimate tax character of our earnings cannot be determined until our tax returns are prepared after the close of a fiscal year. We note that this non-GAAP measure may not serve as a useful indicator of taxable earnings, particularly during periods of market disruption and volatility, and, as such, our taxable income may differ materially from our Core NII.

The following table provides a reconciliation of GAAP NII to Core NII for the fiscal quarters ended July 31, 2023 and April 30, 2023:

	<b>Fiscal Quarter Ended</b>			
	<b>July 31, 2023</b>		<b>April 30, 2023</b>	
	<b>Amount</b>	<b>Per Share</b>	<b>Amount</b>	<b>Per Share</b>
Net investment income	\$ 3,848,565	\$ 0.34	\$ 3,611,303	\$ 0.35
CLO equity adjustments	3,160,851	0.28	2,439,456	0.24
Core net investment income	\$ 7,009,416	\$ 0.62	\$ 6,050,759	\$ 0.59