

REFINITIV

DELTA REPORT

10-Q

OFSSH - OFS CAPITAL CORP

10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 1577

■ CHANGES	322
■ DELETIONS	179
■ ADDITIONS	1076

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the quarterly period ended June 30, 2024 September 30, 2024
or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____

Commission file number 814-00813

OFS CAPITAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	46-1339639
State or Other Jurisdiction of Incorporation or Organization	I.R.S. Employer Identification No.
10 S. Wacker Drive, Suite 2500, Chicago, Illinois	60606
Address of Principal Executive Offices	Zip Code
(847) 734-2000	
Registrant's Telephone Number, Including Area Code	

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	OFS	The Nasdaq Global Select Market
4.95% Notes due 2028	OFSSH	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The number of shares of the issuer's Common Stock, \$0.01 par value, outstanding as of July 29, 2024 October 28, 2024 was 13,398,078.

OFS CAPITAL CORPORATION

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OFS®, OFS Capital®, OFS Credit® and HPCI® are registered trademarks of Orchard First Source Asset Management, LLC. OFS Capital Management™ is a trademark of Orchard First Source Asset Management, LLC. All other trademarks or trade names referred to in this Quarterly Report on Form 10-Q are the property of their respective owners.

Defined Terms

We have used "we," "us," "our," "our company" and "the Company" to refer to OFS Capital Corporation in this report. We also have used several other terms in this report, which are explained or defined below:

Term	Explanation or Definition
1940 Act	Investment Company Act of 1940, as amended
Administration Agreement	Administration Agreement between the Company and OFS Services dated November 7, 2012
Affiliated Account	An account, other than the Company, managed by OFS Advisor or an affiliate of OFS Advisor
Affiliated Fund	Certain other funds, including other BDCs and registered investment companies managed by OFS Advisor or by registered investment advisers controlling, controlled by, or under common control with, OFS Advisor
ASC	Accounting Standards Codification, as issued by the FASB
BDC	Business Development Company under the 1940 Act
BLA	Business Loan Agreement, as amended, with Banc of California, as lender, which provides the Company with a senior secured revolving credit facility
BNP Facility	A secured revolving credit facility, as amended, that provides for borrowings in an aggregate principal amount up to \$150,000,000 issued pursuant to a Revolving Credit and Security Agreement, as amended, by and among OFSCC-FS, the lenders from time to time parties thereto, BNP Paribas, as administrative agent, OFSCC-FS Holdings, LLC, a wholly owned subsidiary of the Company, as equityholder, the Company, as servicer, Citibank, N.A., as collateral agent and Virtus Group, LP, as collateral administrator
Board	The Company's board of directors
Banc of California Credit Facility	A senior secured revolving credit facility, as amended, with Banc of California (formerly known as Pacific Western Bank), as lender, that provides for borrowings to the Company in an aggregate principal amount up to \$25,000,000
CLO	Collateralized loan obligation
Code	Internal Revenue Code of 1986, as amended
Company	OFS Capital Corporation and its consolidated subsidiaries
DRIP	Dividend reinvestment plan
EBITDA	Earnings before interest, taxes, depreciation and amortization
Exchange Act	Securities Exchange Act of 1934, as amended
FASB	Financial Accounting Standards Board
FDIC	Federal Deposit Insurance Corporation
GAAP	Accounting principles generally accepted in the United States
HPCI	Hancock Park Corporate Income, Inc., a Maryland corporation and non-traded BDC, for which OFS Advisor serves as investment adviser
ICTI	Investment company taxable income, which is generally net ordinary income plus net short-term capital gains in excess of net long-term capital losses
Indicative Prices	Market quotations, prices from pricing services or bids from brokers or dealers
Investment Advisory Agreement	Investment Advisory and Management Agreement between the Company and OFS Advisor dated November 7, 2012
LIBOR	London Interbank Offered Rate
NAV	Net asset value. NAV is calculated as consolidated total assets less consolidated total liabilities and can be expressed in the aggregate or on a per share basis
Net Loan Fees	The cumulative amount of fees, such as origination fees, discounts, premiums and amendment fees that are deferred and recognized as income over the life of the loan
OCCI	OFS Credit Company, Inc., a Delaware corporation and a non-diversified, closed-end management investment company, for which OFS Advisor serves as investment adviser

Term	Explanation or Definition
OFS Advisor	OFS Capital Management, LLC, a wholly owned subsidiary of OFSAM and registered investment advisor under the Investment Advisers Act of 1940, as amended, focusing primarily on investments in middle market loans and broadly syndicated loans, debt and equity positions in CLOs and other structured credit investments

Term	Explanation or Definition
OFS Services	OFS Capital Services, LLC, a wholly owned subsidiary of OFSAM and affiliate of OFS Advisor
OFSAM	Orchard First Source Asset Management, LLC, a subsidiary of OFSAM Holdings and a full-service provider of capital and leveraged finance solutions to U.S. corporations
OFSAM Holdings	Orchard First Source Asset Management Holdings, LLC, a holding company consisting of asset management businesses, including OFS Advisor, a registered investment adviser focusing primarily on investments in middle market loans and broadly syndicated loans, debt and equity positions in CLOs and other structured credit investments, and OFS CLO Management, LLC, OFS CLO Management II, LLC and OFS CLO Management III, LLC, each a registered investment adviser focusing primarily on investments in broadly syndicated loans
OFSCC-FS	OFSCC-FS, LLC, an indirect wholly owned subsidiary of the Company
OFSCC-FS Assets	Assets held by the Company through OFSCC-FS
OFSCC-MB	OFSCC-MB, Inc., a wholly owned subsidiary taxed under subchapter C of the Code that generally holds the equity investments of the Company that are taxed as pass-through entities
OID	Original issue discount
Order	An exemptive relief order from the SEC to permit us to co-invest in portfolio companies with Affiliated Funds in a manner consistent with our investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors, subject to compliance with certain conditions
Parent	OFS Capital Corporation
PIK	Payment-in-kind, non-cash interest or dividends payable as an addition to the loan or equity security producing the income
Portfolio Company Investment	A debt or equity investment in a portfolio company. Portfolio Company Investments exclude Structured Finance Securities
Prime Rate	United States Prime interest rate
RIC	Regulated investment company under the Code
SBA	United States Small Business Administration
SBIC	A fund licensed under the SBA Small Business Investment Company Program
SBIC I LP	OFS SBIC I, LP, a wholly owned subsidiary of the Company and former SBIC
SEC	United States Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
SOFR	Secured Overnight Financing Rate
Stock Repurchase Program	The open market stock repurchase program for shares of the Company's common stock under Rule 10b-18 of the Exchange Act
Structured Finance Securities	CLO mezzanine debt, CLO subordinated notes and CLO loan accumulation facility securities
Unsecured Notes	The Unsecured Notes Due February 2026 and the Unsecured Notes Due October 2028
Unsecured Notes Due February 2026	The Company's \$125.0 million aggregate principal amount of 4.75% notes due February 10, 2026
Unsecured Notes Due October 2028	The Company's \$55.0 million aggregate principal amount of 4.95% notes due October 31, 2028

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about us, our current and prospective portfolio investments, our industry, our beliefs and our assumptions. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", "would", "should", "targets", "projects" and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties, and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements, including without limitation:

- our ability and experience operating a BDC or maintaining our tax treatment as a RIC under Subchapter M of the Code;
- our dependence on key personnel;

- our ability to maintain or develop referral relationships;
- our ability to replicate historical results;
- the ability of OFS Advisor to identify, invest in and monitor companies that meet our investment criteria;
- the belief that the carrying amounts of our financial instruments, such as cash, cash equivalents, receivables and payables approximate the fair value of such items due to the short maturity of such instruments and that such financial instruments are held with high credit quality institutions to mitigate the risk of loss due to credit risk;
- actual and potential conflicts of interest with OFS Advisor and other affiliates of OFSAM Holdings;
- constraint on investment due to access to material nonpublic information;
- restrictions on our ability to enter into transactions with our affiliates;
- the use of borrowed money to finance a portion of our investments;
- our ability to incur additional leverage pursuant to Section 61(a)(2) of the 1940 Act and the impact of such leverage on our net investment income and results of operations;
- competition for investment opportunities;
- the belief that the seniority of our debt investments in a borrower's capital structure may provide greater downside protection against adverse economic changes, including those caused by the impacts of elevated interest rate changes and elevated inflation rates, the ongoing war between Russia and Ukraine, the escalated armed conflict in the Middle East, 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 on our business, our portfolio companies, our industry and the global economy;
- the percentage of investments that will bear interest on a floating rate or fixed rate basis;
- the holding period of our investments;
- the impact of alternative reference rates on our business, including a reduction in potential additional interest rate reductions approved by the value U.S. Federal Reserve, which may impact our investment income, cost of certain funding and the valuation of our investments;
- our ability to raise debt or equity capital as a BDC;
- the timing, form and amount of any distributions from our portfolio companies;
- the impact of a protracted decline in the liquidity of credit markets on our business;
- the general economy and its impact on the industries in which we invest;
- the impact of current political, economic and industry conditions, including changes in the interest rate environment, inflation, significant market volatility, supply chain and labor market disruptions, including those as a result of strikes, work stoppages or accidents, resource shortages and other conditions affecting the financial and capital markets, which, in turn, impacts our business prospects and the prospects of our portfolio companies;
- the impact of the ongoing war between Russia and Ukraine, the escalated armed conflict in the Middle East and general uncertainty surrounding the financial and political stability of the United States, the United Kingdom, the European Union and China;
- our ability to consummate credit facilities in the future on commercially reasonable terms, if at all;
- the impact of information technology system failures, data security breaches, data privacy compliance, network disruptions, and cybersecurity attacks;
- the belief that we have sufficient levels of liquidity to support our existing portfolio companies;
- the belief that our cash and cash equivalent balances are not exposed to any significant credit risk as a result of the previous banking failures;
- the fluctuation of the fair value of our investments due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value; and
- the effect of new or modified laws or regulations governing our operations.

Although we believe that the assumptions on which these forward-looking statements are based are reasonable, any of those assumptions could prove to be inaccurate, and as a result, those assumptions also could be inaccurate. In light of these and other uncertainties, the inclusion of a projection or forward-looking statement in this Quarterly Report on Form 10-Q should not be regarded as a representation by us that our plans and objectives will be achieved. These risks and uncertainties include, among others, those described or identified in "Part I—Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed on March 5, 2024. You should not place undue reliance on these forward-looking statements, which apply only as of the date of this Quarterly Report on Form 10-Q.

We have based the forward-looking statements on information available to us on the date of this Quarterly Report on Form 10-Q. Except as required by the federal securities laws, we undertake no obligation to revise or update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any additional disclosures that we may make directly to you or through reports that we in the future may file with the SEC, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The forward-looking statements and projections contained in this Quarterly Report on Form 10-Q are excluded from the safe harbor protection provided by Section 21E of the Exchange Act.

PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements

OFS Capital Corporation and Subsidiaries
Consolidated Statements of Assets and Liabilities (unaudited)
(Dollar amounts in thousands, except per share data)

	December	
	June 30, 2024	31, 2023
	September 30, 2024	December 31, 2023
Assets		
Assets		
Assets		
Investments, at fair value:		
Investments, at fair value:		
Investments, at fair value:		
Non-control/non-affiliate investments (amortized cost of \$366,391 and \$384,339, respectively)		
Non-control/non-affiliate investments (amortized cost of \$366,391 and \$384,339, respectively)		
Non-control/non-affiliate investments (amortized cost of \$366,391 and \$384,339, respectively)		
Affiliate investments (amortized cost of \$19,055 and \$19,191, respectively)		
Non-control/non-affiliate investments (amortized cost of \$361,429 and \$384,339, respectively)		
Non-control/non-affiliate investments (amortized cost of \$361,429 and \$384,339, respectively)		
Non-control/non-affiliate investments (amortized cost of \$361,429 and \$384,339, respectively)		
Affiliate investments (amortized cost of \$11,172 and \$19,191, respectively)		
Total investments, at fair value (amortized cost of \$385,446 and \$403,530, respectively)		
Total investments, at fair value (amortized cost of \$385,446 and \$403,530, respectively)		
Total investments, at fair value (amortized cost of \$385,446 and \$403,530, respectively)		
Total investments, at fair value (amortized cost of \$372,601 and \$403,530, respectively)		
Total investments, at fair value (amortized cost of \$372,601 and \$403,530, respectively)		
Total investments, at fair value (amortized cost of \$372,601 and \$403,530, respectively)		
Cash and cash equivalents		
Interest receivable		
Prepaid expenses and other assets		
Prepaid expenses and other assets		
Receivable for investments sold		
Prepaid expenses and other assets		
Total assets		
Liabilities		
Liabilities		
Liabilities		
Revolving lines of credit		
Revolving lines of credit		
Revolving lines of credit		
Unsecured Notes (net of deferred debt issuance costs of \$2,178 and \$2,667, respectively)		
Unsecured Notes (net of deferred debt issuance costs of \$1,933 and \$2,667, respectively)		
SBA debentures (net of deferred debt issuance costs of \$0 and \$20, respectively)		
Interest payable		
Payable to adviser and affiliates (Note 3)		
Payable for investments purchased		
Other liabilities		
Other liabilities		
Other liabilities		
Total liabilities		
Commitments and contingencies (Note 6)		
Commitments and contingencies (Note 6)		

Commitments and contingencies (Note 6)

Net assets

Net assets

Net assets

Preferred stock, par value of \$0.01 per share, 2,000,000 shares authorized, -0- shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively

Preferred stock, par value of \$0.01 per share, 2,000,000 shares authorized, -0- shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively

Preferred stock, par value of \$0.01 per share, 2,000,000 shares authorized, -0- shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively

Common stock, par value of \$0.01 per share, 100,000,000 shares authorized, 13,398,078 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively

Preferred stock, par value of \$0.01 per share, 2,000,000 shares authorized, -0- shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively

Preferred stock, par value of \$0.01 per share, 2,000,000 shares authorized, -0- shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively

Common stock, par value of \$0.01 per share, 100,000,000 shares authorized, 13,398,078 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively

Paid-in capital in excess of par

Total accumulated losses

Total net assets

Total liabilities and net assets

Total liabilities and net assets

Total liabilities and net assets

Number of common shares outstanding

Number of common shares outstanding

Number of common shares outstanding

Net asset value per share

See Notes to Consolidated Financial Statements (unaudited).

OFS Capital Corporation and Subsidiaries

Consolidated Statements of Operations (unaudited)

(Dollar amounts in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Investment income				
Interest income:				
Interest income:				
Interest income:				
Non-control/non-affiliate investments				
Non-control/non-affiliate investments				
Non-control/non-affiliate investments				
Payment-in-kind interest and dividend income:				
Payment-in-kind interest and dividend income:				
Payment-in-kind interest and dividend income:				
Non-control/non-affiliate investments				
Non-control/non-affiliate investments				
Non-control/non-affiliate investments				
Affiliate investments				
Total payment-in-kind interest and dividend income				

Total payment-in-kind interest and dividend income
Total payment-in-kind interest and dividend income
Dividend income:
Non-control/non-affiliate investments
Non-control/non-affiliate investments
Non-control/non-affiliate investments
Affiliate investments
Total dividend income
Total dividend income
Total dividend income
Fee income:
Non-control/non-affiliate investments
Non-control/non-affiliate investments
Non-control/non-affiliate investments
Total investment income
Total investment income
Total investment income
Expenses
Interest expense
Interest expense
Interest expense
Base management fee
Income Incentive Fee
Professional fees
Professional fees
Professional fees
Administration fee
Other expenses
Total expenses
Net investment income
Net realized and unrealized gain (loss) on investments
Net realized and unrealized gain (loss) on investments
Net realized and unrealized gain (loss) on investments
Net realized gain (loss) on non-control/non-affiliate investments
Net realized gain (loss) on non-control/non-affiliate investments
Net realized gain (loss) on non-control/non-affiliate investments
Net realized gain on affiliate investments
Net realized loss on affiliate investments
Net realized loss on control investments
Income tax expense on net realized gains on investments
Income tax (expense) benefit on net realized gains on investments
Net unrealized appreciation (depreciation) on non-control/non-affiliate investments
Net unrealized appreciation (depreciation) on affiliate investments
Net unrealized appreciation on control investment
Deferred tax (expense) benefit on net unrealized appreciation (depreciation)
Net gain (loss) on investments
Deferred tax expense on net unrealized appreciation
Net loss on investments
Loss on extinguishment of debt
Net increase (decrease) in net assets resulting from operations
Net increase in net assets resulting from operations
Net investment income per common share – basic and diluted

Net investment income per common share – basic and diluted
Net investment income per common share – basic and diluted
Net increase (decrease) in net assets resulting from operations per common share – basic and diluted
Net increase in net assets resulting from operations per common share – basic and diluted
Distributions declared per common share

Basic and diluted weighted-average common shares outstanding

See Notes to Consolidated Financial Statements (unaudited).

OFS Capital Corporation and Subsidiaries

Consolidated Statements of Changes in Net Assets (unaudited)

(Dollar amounts in thousands, except per share data)

	Preferred Stock	Preferred Stock	Common Stock	Paid-in capital in excess of par	Total accumulated losses	Total net assets	Preferred Stock	Common Stock	Paid-in capital in excess of par	Total accumulated losses	Total net assets
	Number of shares	Number of shares	Par value				Number of shares	Par value			
	Total	Total	Total				Total	Total			
Balances at December 31, 2022											
Net increase in net assets resulting from operations:											
Net investment income											
Net investment income											
Net investment income											
Net realized loss on investments, net of taxes											
Net unrealized appreciation on investments, net of taxes											
Net unrealized depreciation on investments, net of taxes											
Loss on extinguishment of debt											
Dividends declared											
Dividends declared											
Dividends declared											
Net decrease for the six month period ended June 30, 2023											
Net decrease for the six month period ended June 30, 2023											
Net decrease for the six month period ended June 30, 2023											

Net decrease for the nine month period ended September 30, 2023

Net decrease for the nine month period ended September 30, 2023

Net decrease for the nine month period ended September 30, 2023

Balances at September 30, 2023

Balances at June 30, 2023

Balances at March 31, 2023

Balances at March 31, 2023

Balances at March 31, 2023

Balances at June 30, 2023

Balances at June 30, 2023

Net decrease in net assets resulting from operations:

Net investment income

Net investment income

Net investment income

Net realized loss on investments, net of taxes

Net unrealized appreciation on investments, net of taxes

Net unrealized appreciation on investments, net of taxes

Net unrealized appreciation on investments, net of taxes

Income tax benefit on net realized investment gains

Loss on extinguishment of debt

Net unrealized depreciation on investments, net of taxes

Dividend declared

Dividend declared

Dividend declared

Net decrease for the three month period ended June 30, 2023

Net decrease for the three month period ended June 30, 2023

Net decrease for the three month period ended June 30, 2023

Balances at June 30, 2023
Net decrease for the three month period ended September 30, 2023
Net decrease for the three month period ended September 30, 2023
Net decrease for the three month period ended September 30, 2023
Balances at September 30, 2023

OFS Capital Corporation and Subsidiaries
Consolidated Statements of Changes in Net Assets (unaudited)
(Dollar amounts in thousands, except per share data)

Preferred Stock	Preferred Stock	Common Stock	Paid-in capital in excess of par	Total accumulated losses	Total net assets	Preferred Stock	Common Stock	Paid-in capital in excess of par	Total accumulated losses	Total net assets
Number of shares	Number of shares	Par value	Number of shares	Par value	Total net assets	Number of shares	Par value	Total accumulated losses	Total net assets	

Balances at December 31, 2023

Balances at December 31, 2023

Balances at December 31, 2023

Net increase in net assets resulting from operations:

Net investment income

Net investment income

Net investment income

Net realized loss on investments, net of taxes

Net unrealized depreciation on investments, net of taxes

Net unrealized appreciation on investments, net of taxes

Dividends declared

Dividends declared

Dividends declared

Net decrease for the six month period ended June 30, 2024

Net decrease for the six month period ended June 30, 2024

Net decrease for the six month period ended June 30, 2024

Net decrease for the nine month period ended September 30, 2024

Net decrease for the nine month period ended September 30, 2024

Net decrease for the nine month period ended September 30, 2024

Balances at September 30, 2024

Balances at June 30, 2024

Balances at March 31, 2024

Balances at March 31, 2024

Balances at March 31, 2024

Balances at June 30, 2024

Balances at June 30, 2024

Net increase in net assets resulting from operations:

Net investment income

Net investment income

Net investment income

Net realized loss on investments, net of taxes

Net unrealized appreciation on investments, net of taxes

Net unrealized appreciation on investments, net of taxes

Net unrealized appreciation on investments, net of taxes

Dividend declared

Dividend declared

Dividend declared

Net increase for the three month period ended June 30, 2024

Net increase for the three month period ended June 30, 2024

Net increase for the three month period ended June 30, 2024

Balances at June
30, 2024
Net decrease for the three month period ended September 30, 2024
Net decrease for the three month period ended September 30, 2024
Net decrease for the three month period ended September 30, 2024
Balances at
September 30,
2024

See Notes to Consolidated Financial Statements (unaudited).

OFS Capital Corporation and Subsidiaries

Consolidated Statements of Cash Flows (unaudited)
(Dollar amounts in thousands)

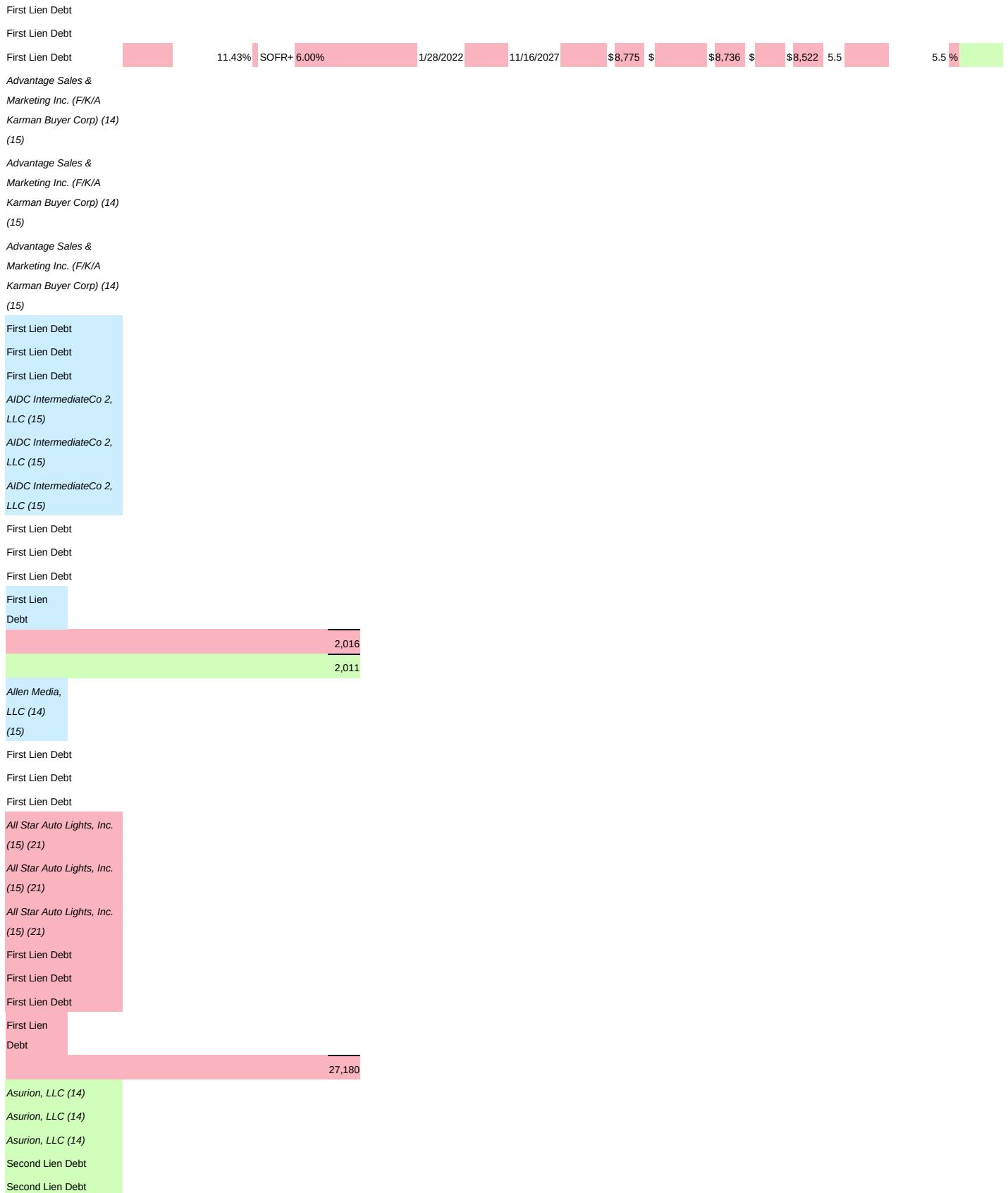
	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	2024	2023	2024
Cash flows from operating activities				
Net increase in net assets resulting from operations				
Net increase in net assets resulting from operations				
Net increase in net assets resulting from operations				
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:				
Net realized loss on investments				
Net realized loss on investments				
Net realized loss on investments				
Income tax expense on net realized investment gains				
Loss on extinguishment of debt				
Net unrealized (appreciation) depreciation on investments, net of taxes				
Amortization of Net Loan Fees				
Amendment fees collected				
Payment-in-kind interest and dividend income				
Accretion of interest income on Structured Finance Securities				
Amortization and write-off of deferred offering costs				
Amortization of deferred debt issuance costs				
Amortization of intangible asset				
Purchase and origination of portfolio investments				
Proceeds from principal payments on portfolio investments				
Proceeds from sale or redemption of portfolio investments				
Proceeds from distributions received from portfolio investments				
Changes in operating assets and liabilities:				
Interest receivable				
Interest receivable				
Interest receivable				
Interest payable				
Payable to adviser and affiliates				
Other assets and liabilities				
Other assets and liabilities				
Receivable for investments sold				
Payable for investments purchased				

Other assets and liabilities
Net cash provided by operating activities
Cash flows from financing activities
Cash flows from financing activities
Cash flows from financing activities
Distributions paid to common stockholders
Distributions paid to common stockholders
Distributions paid to common stockholders
Borrowings under revolving lines of credit
Repayments under revolving lines of credit
Repayments of SBA debentures
Net cash used in financing activities
Net cash used in financing activities
Net cash used in financing activities
Net decrease in cash and cash equivalents
Net increase (decrease) in cash and cash equivalents
Cash and cash equivalents
Beginning of period
Beginning of period
Beginning of period
End of period
Supplemental Disclosure of Cash Flow Information:
Supplemental Disclosure of Cash Flow Information:
Supplemental Disclosure of Cash Flow Information:
Cash paid for interest
Cash paid for interest
Cash paid for interest

See Notes to Consolidated Financial Statements (unaudited).

OFS Capital Corporation and Subsidiaries
Consolidated Schedule of Investments (unaudited)
June September 30, 2024
(Dollar amounts in thousands)

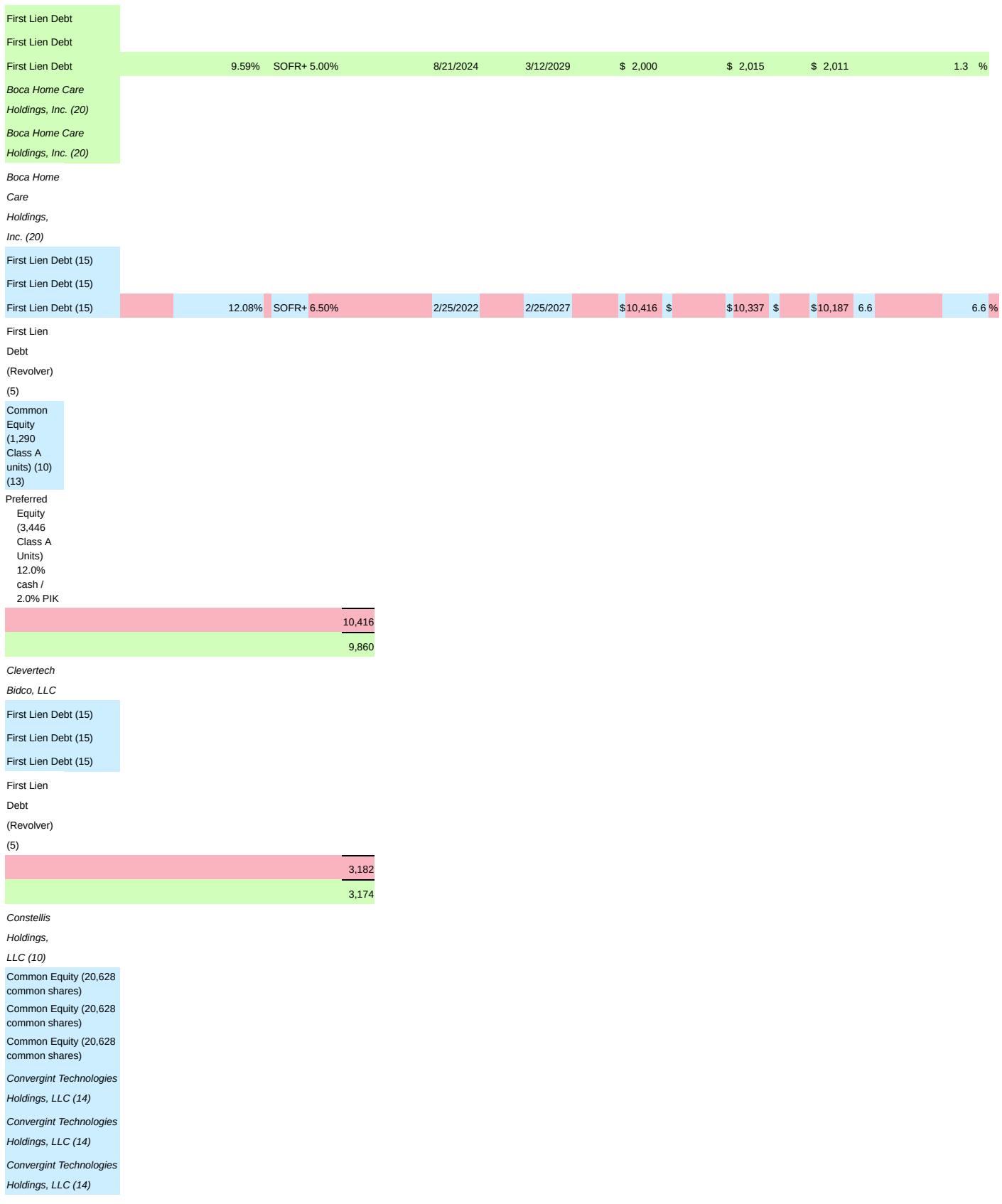
Portfolio Company (1)	Portfolio Company (1)	Industry	Interest Rate (2)	Spread Above Index (2)	Initial Acquisition Date	Maturity	Principal Amount	Amortized Cost	Fair Value (3)	Percent (1) of Net Investment Assets	Portfolio Company Type	Industry R
<u>Non-control/Non-affiliate Investments</u>												
<i>Debt and Equity Investments</i>												
<i>Debt and Equity Investments</i>												
<i>Debt and Equity Investments</i>												
24 Seven Holdco, LLC (15)												
24 Seven Holdco, LLC (15)												
24 Seven Holdco, LLC (15)												



Second Lien Debt	
Avison	
Young (15)	
(16)	
First Lien Debt	
Avison Young (15) (16)	
Avison Young (15) (16)	
First Lien Debt	
First Lien Debt	
First Lien	
Debt	
First Lien	
Debt (6) (10)	
Common	
Equity (1,185	
Class B	
units) (10)	
(13)	
Preferred	
Equity (1,715	
Class A	
units) 12.5%	
PIK (10) (13)	
	2,864
	2,057
BayMark	
Health	
Services,	
Inc. (15)	
Second Lien Debt	
Second Lien Debt	
Second Lien Debt	
Second Lien	
Debt	
	8,950
BCPE North	
Star US	
Holdco 2,	
Inc. (F/K/A	
Dessert	
Holdings)	
Second Lien Debt	
Second Lien Debt	
Second Lien Debt	

OFS Capital Corporation and Subsidiaries
Consolidated Schedule of Investments - Continued (unaudited)
June September 30, 2024
(Dollar amounts in thousands)

Portfolio Company (1)	Portfolio Company (1)	Industry	Interest Rate (2)	Spread Above Index (2)	Initial Acquisition Date	Maturity	Principal Amount	Amortized Cost	Fair Value (3)	Percent (1) of Net Assets	Portfolio Company Type	Investment Indu
Blackhawk Network Holdings, Inc. (14)												

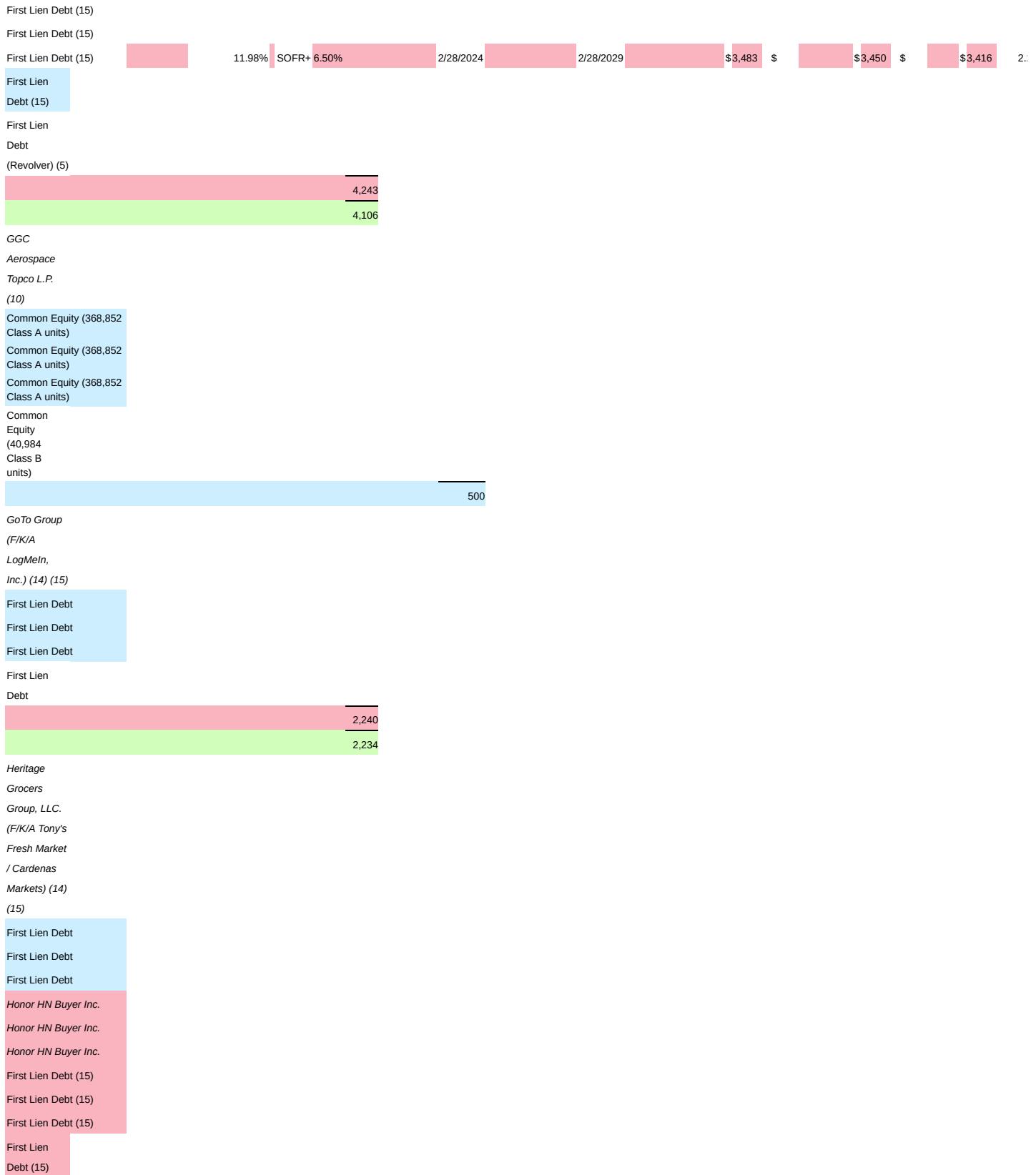


Second Lien Debt	
Second Lien Debt	
<i>Creation Technologies</i>	
(15) (16)	
<i>Creation Technologies</i>	
(15) (16)	
<i>Creation Technologies</i>	
(15) (16)	
First Lien Debt	
First Lien Debt	
First Lien Debt	
<i>Diamond Sports Group, LLC</i> (6) (10) (14) (15)	
<i>Diamond Sports Group, LLC</i> (6) (10) (14) (15)	
<i>Diamond Sports Group, LLC</i> (6) (10) (14) (15)	
Second Lien Debt	
Second Lien Debt	
Second Lien Debt	
<i>East West</i>	
<i>Manufacturing</i> (15)	
<i>East West</i>	
<i>Manufacturing</i> (15)	
<i>East West</i>	
<i>Manufacturing</i> (15)	
First Lien Debt	
First Lien Debt	
First Lien Debt	
<i>Envocore Holding, LLC</i> (F/K/A <i>LRI Holding, LLC</i>)	
(19)	
<i>Envocore Holding, LLC</i> (F/K/A <i>LRI Holding, LLC</i>)	
(19)	
<i>Envocore Holding, LLC</i> (F/K/A <i>LRI Holding, LLC</i>)	
(19)	
First Lien Debt	
First Lien Debt	
First Lien Debt	
First Lien Debt (Revolver)	
(5)	
Second Lien Debt (6)	
(10)	
Equity Participation Rights (10)	
(17)	
	15,407
	15,407
	15,407

Excelin
Home
Health, LLC
Second Lien Debt
Second Lien Debt
Second Lien Debt

OFS Capital Corporation and Subsidiaries
Consolidated Schedule of Investments - Continued (unaudited)
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(Dollar amounts in thousands)

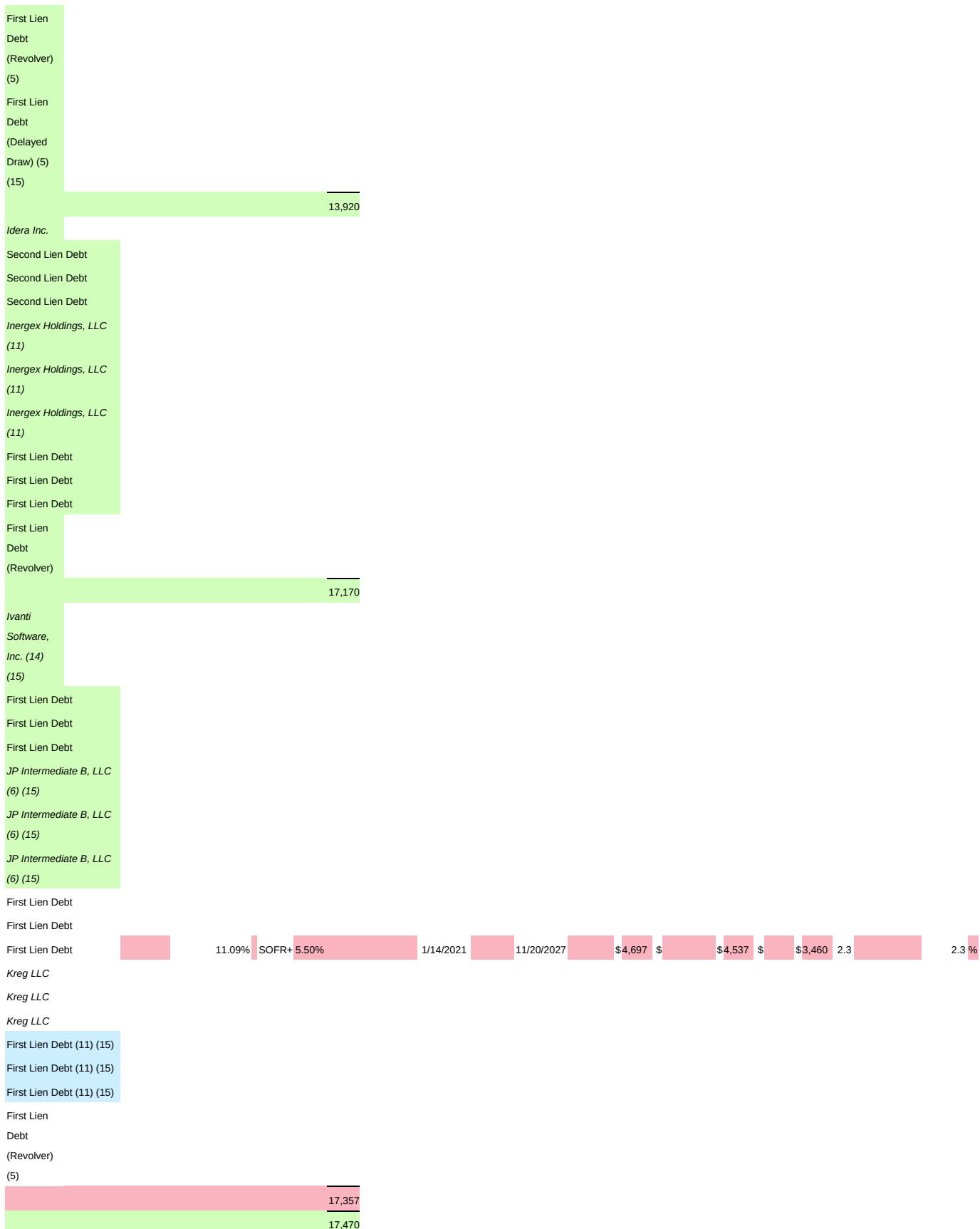
Portfolio Company (1)	Portfolio Company	Interest Rate (2)	Spread Above Index (2)	Initial Acquisition Date	Maturity	Principal Amount	Amortized Cost	Fair Value (3)
Envocore								
Holding, LLC (F/K/A LRI Holding, LLC) (19)								
First Lien Debt								
First Lien Debt								
First Lien Debt		7.50%	N/A	6/30/2017	12/31/2025	\$6,263	\$6,263	\$6,263
First Lien Debt (Revolver) (5)								
Second Lien Debt (6) (10)								
Equity Participation Rights (10) (17)								
						15,622		
Excelin								
Home Health, LLC								
Second Lien Debt								
Second Lien Debt								
Second Lien Debt								
First Brands Group, LLC (14) (15)								
First Brands Group, LLC (14) (15)								
First Lien Debt								
First Lien Debt								
First Lien Debt								
First Lien Debt						4,990		
Flow Service								
Partners								
Management, LLC								



First Lien Debt (Revolver) (5)								
First Lien Debt (Delayed Draw) (5)								
(15)								
								13,954
<i>Idera Inc.</i>								
Second Lien Debt								
Second Lien Debt								
Second Lien Debt								
<i>Inergex Holdings, LLC</i>								
(11)								
<i>Inergex Holdings, LLC</i>								
(11)								
<i>Inergex Holdings, LLC</i>								
(11)								
First Lien Debt								
First Lien Debt								
	12.48%							
	cash /							
	2.00%							
	PIK	SOFR+ 7.00%						
First Lien Debt				10/1/2018				
					10/1/2026			
						14,868		
							14,687	
								14,869
First Lien Debt (Revolver)								
								17,212
<i>Ivanti Software, Inc.</i>								
(14) (15)								
First Lien Debt								
First Lien Debt								
First Lien Debt								

OFS Capital Corporation and Subsidiaries
Consolidated Schedule of Investments - Continued (unaudited)
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Portfolio Company (1)	Portfolio Company (1)			Spread Above Index (2)		Initial Acquisition Date		Maturity		Principal Amount		Amortized Cost		Fair Value (3)		Portfolio Company Percent (1) of Net Assets		Investment Type		Industry
JP Intermediate B, LLC (15)																				
Honor HN Buyer Inc.																				
First Lien Debt (15)																				
First Lien Debt (15)																				
First Lien Debt (15)				10.50%	SOFR+ 5.75%			10/15/2021		10/15/2027		\$6,417		\$6,352		\$6,417		4.2	%	
First Lien Debt (15)																				



Medrina
LLC
First Lien Debt (15)
First Lien Debt (15)
First Lien Debt (15)

First Lien
Debt
(Delayed
Draw) (5)
(15)

First Lien
Debt
(Revolver)
(5)

2,223

2,217

Metasource,
LLC (15)

First Lien Debt
First Lien Debt
First Lien Debt

One GI LLC
One GI LLC
One GI LLC
First Lien Debt (15)
First Lien Debt (15)
First Lien Debt (15)

First Lien
Debt (15)
First Lien
Debt
(Revolver)

12,734

Planet
Bingo, LLC
(F/K/A 3rd
Rock
Gaming
Holdings,
LLC) (6)

First Lien Debt
First Lien Debt
First Lien Debt
PM Acquisition LLC (10)
(20)

PM Acquisition LLC (10)
(20)

PM Acquisition LLC (10)
(20)
Common Equity (499
units)
Common Equity (499
units)
Common Equity (499
units)

Reception Purchaser
LLC (15)

Reception Purchaser
LLC (15)
Reception Purchaser
LLC (15)
First Lien Debt
First Lien Debt
First Lien Debt

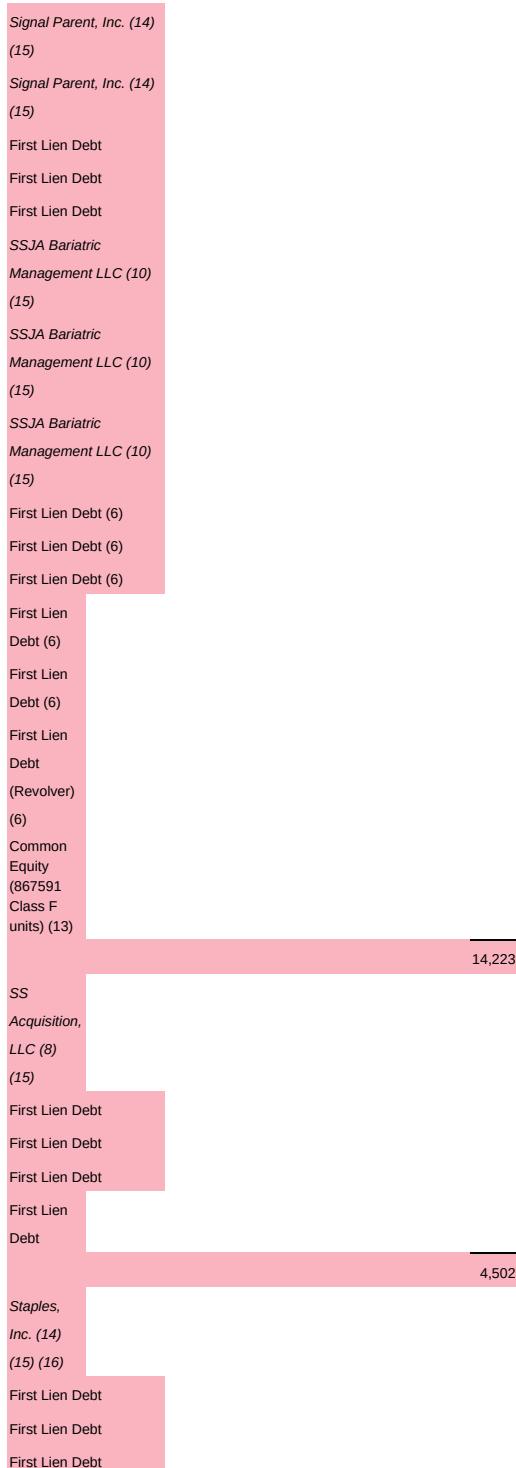
OFS Capital Corporation and Subsidiaries

Consolidated Schedule of Investments - Continued (unaudited)

June September 30, 2024

(Dollar amounts in thousands)





OFS Capital Corporation and Subsidiaries
Consolidated Schedule of Investments - Continued (unaudited)
June September 30, 2024
(Dollar amounts in thousands)

Portfolio Company (1) Investment Type	Industry	Interest Rate (2)	Initial			Principal Amount	Amortized Cost	Fair Value (3)	Percent of Net Assets
			Spread Above Index (2)	Acquisition Date	Maturity				
Motorcycle, Bicycle, and Parts									
<i>Tolemar Acquisition, Inc.</i>	Manufacturing								
First Lien Debt (15)		11.44% cash / 1.00% PIK	SOFR+ 6.00%	10/14/2021	10/14/2026	\$ 15,301	\$ 15,231	\$ 14,536	9.4 %
First Lien Debt (Revolver) (5)		11.44%	SOFR+ 6.00%	10/14/2021	10/14/2026	309	302	232	0.2
						15,610	15,533	14,768	9.6
<i>TruGreen Limited Partnership</i>	Landscaping Services								
Second Lien Debt		14.09%	SOFR+ 8.50%	5/13/2021	11/2/2028	4,500	4,582	4,258	2.8
<i>United Biologics Holdings, LLC (10)</i>	Medical Laboratories								
Preferred Equity (151,787 units)				4/16/2013			9	—	—
Electronic Shopping and Mail-Order									
<i>Wellful Inc. (F/K/A KNS Acquisition Corp.) (14) (15)</i>	Houses								
First Lien Debt		11.71%	SOFR+ 6.25%	4/16/2021	4/21/2027	6,519	6,497	4,244	2.8
Total Debt and Equity Investments - Non-control/Non-affiliate Investments						\$ 272,885	\$ 276,725	\$ 240,003	155.8 %
Structured Finance Securities (16)									
<i>Apex Credit CLO 2020 Ltd. (7) (9)</i>									
Subordinated Notes		17.92%	N/A	11/16/2020	10/20/2031	\$ 11,080	\$ 9,449	\$ 8,309	5.4 %
<i>Apex Credit CLO 2021 Ltd (7) (9)</i>									
Subordinated Notes		22.98%	N/A	5/28/2021	7/18/2034	8,630	6,716	5,626	3.6
<i>Apex Credit CLO 2022-1A (7) (9)</i>									
Subordinated Notes		16.70%	N/A	4/28/2022	4/22/2033	10,726	8,854	6,559	4.3
<i>Ares L CLO Ltd.</i>									
Mezzanine Debt - Class E		11.24%	SOFR+ 5.65%	2/17/2022	1/15/2032	6,000	5,873	5,711	3.7
<i>Barings CLO 2019-I Ltd.</i>									
Mezzanine Debt - Class E		12.45%	SOFR+ 6.86%	2/23/2022	4/15/2035	8,000	7,928	8,009	5.2
<i>Battalion CLO XI, Ltd.</i>									
Mezzanine Debt - Class E		12.43%	SOFR+ 6.85%	4/25/2022	4/24/2034	6,000	5,949	5,582	3.6

Portfolio Company (1) Investment Type	Industry	Interest Rate (2)	Initial			Principal Amount	Amortized Cost	Fair Value (3)	Percent of Net Assets
			Spread Above Index (2)	Acquisition Date	Maturity				
New Single-Family Housing									
<i>Signal Parent, Inc. (14) (15)</i>	Construction (except For-Sale Builders)								
First Lien Debt		8.45%	SOFR+ 3.50%	3/25/2021	4/3/2028	\$ 1,790	\$ 1,780	\$ 1,617	1.1 %
Offices of Physicians and Mental Health Specialists									
<i>SSJA Bariatric Management LLC (10) (15)</i>									
First Lien Debt (6)		10.00% PIK	SOFR+ 5.25%	8/26/2019	4/30/2025	10,383	9,563	6,867	4.5
First Lien Debt (6)		10.00% PIK	SOFR+ 5.25%	12/31/2020	4/30/2025	1,122	1,033	742	0.5
First Lien Debt (6)		10.00% PIK	SOFR+ 5.25%	12/8/2021	4/30/2025	2,827	2,600	1,869	1.2

First Lien Debt (Revolver) (6)		10.00% PIK	SOFR+ 5.25%	8/26/2019	4/30/2025	290	266	192	0.1
Common Equity (867591 Class F units) (13)				4/10/2024					
<i>SS Acquisition, LLC (8) (15)</i>	Sports and Recreation Instruction					14,622	13,462	9,670	6.3
First Lien Debt		12.31%	SOFR+ 6.72%	12/30/2021	12/30/2026	3,042	3,028	3,042	2.0
First Lien Debt		13.00%	SOFR+ 7.40%	12/30/2021	12/30/2026	1,460	1,452	1,460	1.0
						4,502	4,480	4,502	3.0
	Business to Business Electronic Markets								
<i>Staples, Inc. (14) (15) (16)</i>									
First Lien Debt		10.69%	SOFR+ 5.75%	5/23/2024	9/4/2029	2,571	2,474	2,343	1.5
	Other Motor Vehicle Parts								
<i>Tenneco Inc. (14)</i>	Manufacturing								
First Lien Debt		10.23%	SOFR+ 5.00%	8/21/2024	11/17/2028	3,000	2,883	2,857	1.9
	Motorcycle, Bicycle, and Parts								
<i>Tolemar Acquisition, Inc.</i>	Manufacturing								
First Lien Debt (15)		10.95% cash / 1.00% PIK	SOFR+ 6.00%	10/14/2021	10/14/2026	15,302	15,240	14,537	9.6
First Lien Debt (Revolver) (5)		11.20%	SOFR+ 6.00%	10/14/2021	10/14/2026	875	869	798	0.5
						16,177	16,109	15,335	10.1
<i>TruGreen Limited Partnership</i>	Landscaping Services								
Second Lien Debt		14.01%	SOFR+ 8.50%	5/13/2021	11/2/2028	4,500	4,577	4,334	2.9
	Medical Laboratories								
<i>United Biologics Holdings, LLC (10) (13)</i>									
Preferred Equity (151,787 units)				4/16/2013				9	—

OFS Capital Corporation and Subsidiaries

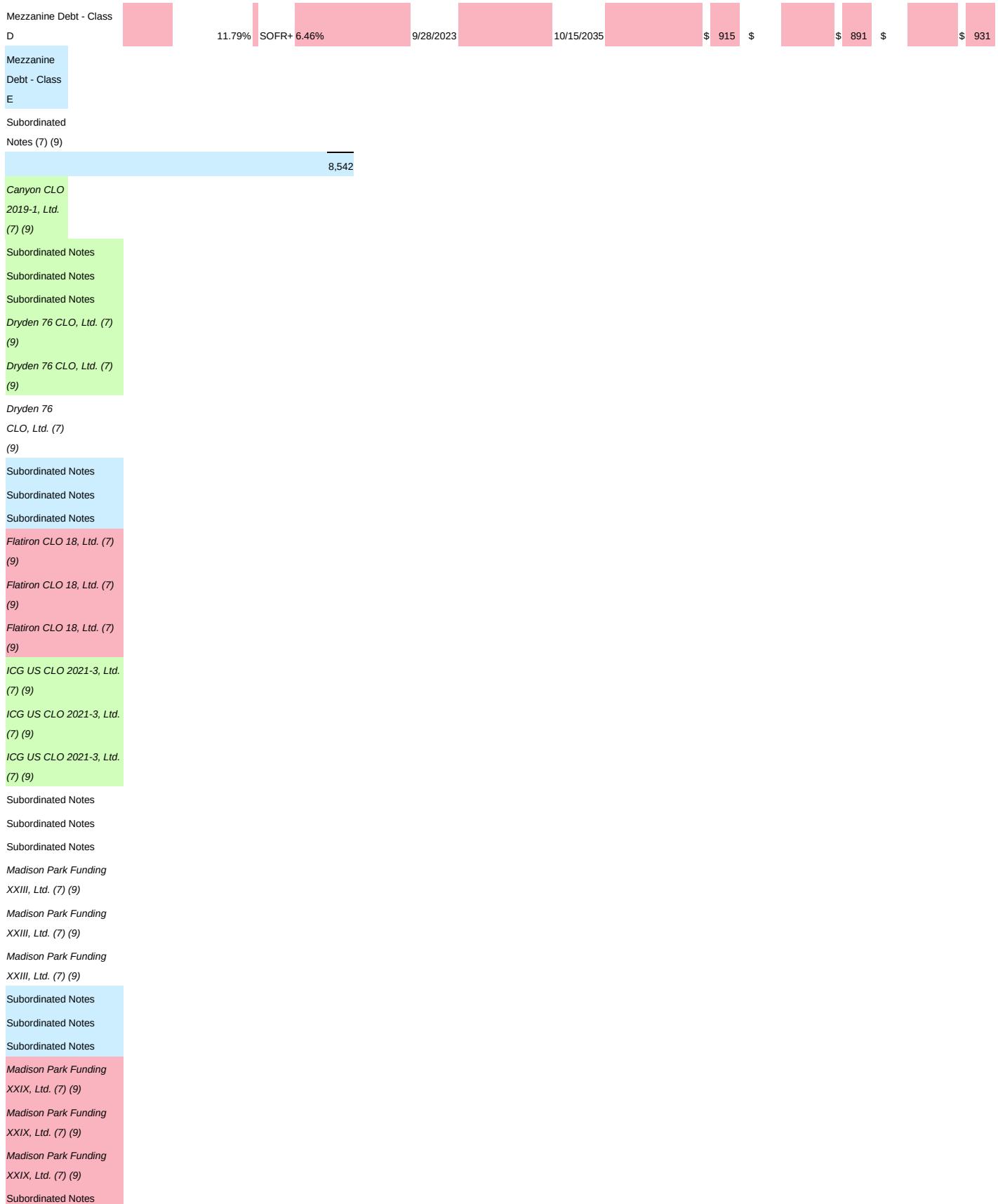
Consolidated Schedule of Investments - Continued (unaudited)

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(Dollar amounts in thousands)

Portfolio Company (1)	Portfolio Company (1)			Interest Rate (2)	Spread Above Index (2)	Initial Acquisition Date			Principal Amount	Amortized Cost	Fair Value (3)
<i>Wellful Inc. (F/K/A KNS Acquisition Corp.) (14) (15)</i>											
First Lien Debt											
First Lien Debt											
First Lien Debt		11.21%	SOFR+ 6.25%			4/16/2021	4/21/2027		\$6,475	\$6,456	\$4,071
Total Debt and Equity Investments - Non-control/Non-affiliate Investments											
Total Debt and Equity Investments - Non-control/Non-affiliate Investments											

Total Debt and Equity						
Investments - Non-control/Non-affiliate						
Investments						\$270,908
Structured Finance Securities (16)						
Structured Finance Securities (16)						
Structured Finance Securities (16)						
Apex Credit CLO 2020 Ltd. (7) (9)						
Apex Credit CLO 2020 Ltd. (7) (9)						
Apex Credit CLO 2020 Ltd. (7) (9)						
Subordinated Notes						
Subordinated Notes						
Subordinated Notes	17.92%	N/A	11/16/2020	10/20/2031	\$11,080	\$9,870
Apex Credit CLO 2021 Ltd (7) (9)						
Apex Credit CLO 2021 Ltd (7) (9)						
Apex Credit CLO 2021 Ltd (7) (9)						
Subordinated Notes						
Subordinated Notes						
Subordinated Notes						
Apex Credit CLO 2022-1 Ltd. (7) (9)						
Apex Credit CLO 2022-1 Ltd. (7) (9)						
Apex Credit CLO 2022-1 Ltd. (7) (9)						
Subordinated Notes						
Subordinated Notes						
Subordinated Notes						
Battalion CLO XI, Ltd.						
Battalion CLO XI, Ltd.						
Battalion CLO XI, Ltd.						
Mezzanine Debt - Class E						
Mezzanine Debt - Class E						
Mezzanine Debt - Class E						
Brightwood Capital MM CLO 2023-1A, Ltd.						
Brightwood Capital MM CLO 2023-1A, Ltd.						
Brightwood Capital MM CLO 2023-1A, Ltd.						
Mezzanine Debt - Class D						
Mezzanine Debt - Class D						



Subordinated Notes
Subordinated Notes
Monroe Capital MML
CLO X, Ltd.
Monroe Capital MML
CLO X, Ltd.
Monroe Capital MML
CLO X, Ltd.
Mezzanine Debt - Class
E-R
Mezzanine Debt - Class
E-R
Mezzanine Debt - Class
E-R
Octagon Investment
Partners 39, Ltd. (4) (7)
(9)
Octagon Investment
Partners 39, Ltd. (4) (7)
(9)
Octagon Investment
Partners 39, Ltd. (4) (7)
(9)
Subordinated Notes
Subordinated Notes
Subordinated Notes
Park Avenue Institutional
Advisers CLO Ltd 2021-1
Park Avenue Institutional
Advisers CLO Ltd 2021-1
Park Avenue Institutional
Advisers CLO Ltd 2021-1
Mezzanine Debt - Class E
Mezzanine Debt - Class E
Mezzanine Debt - Class E
Regatta XXII Funding Ltd
Regatta XXII Funding Ltd
Regatta XXII Funding Ltd
Mezzanine Debt - Class E
Mezzanine Debt - Class E
Mezzanine Debt - Class E
THL Credit Wind River
2019-3 CLO Ltd (7) (9)
THL Credit Wind River
2019-3 CLO Ltd (7) (9)
THL Credit Wind River
2019-3 CLO Ltd (7) (9)
Subordinated Notes
Subordinated Notes
Subordinated Notes
Trinitas CLO VIII (7) (9)
Trinitas CLO VIII (7) (9)
Trinitas CLO VIII (7) (9)
Subordinated Notes

Subordinated Notes

Subordinated Notes

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Portfolio Company (1) Investment Type	Industry	Interest Rate (2)	Spread Above Index (2)	Initial		Principal Amount	Amortized Cost	Fair Value (3)	Percent of Net Assets
				Date	Maturity				
<i>Venture 45 CLO Ltd.</i>									
Mezzanine Debt - Class E		13.02%	SOFR+ 7.70%	4/18/2022	7/20/2035	\$ 3,000	\$ 2,947	\$ 2,730	1.8 %
<i>Total Structured Finance Securities</i>									
						\$ 118,108	\$ 89,666	\$ 75,619	49.1 %
<i>Total Non-control/Non-affiliate Investments</i>									
						\$ 390,993	\$ 366,391	\$ 315,622	204.9 %
Affiliate Investments									
Office Machinery and Equipment									
<i>Contract Datascan Holdings, Inc. (20)</i>	Rental and Leasing								
Preferred Equity (3,061 Series A shares) 10% PIK				8/5/2015			\$ 7,841	\$ 9,400	6.1 %
Common Equity (11,273 shares) (10)				6/28/2016			104	—	—
							7,945	9,400	6.1
Data Processing, Hosting, and Related Services									
<i>DRS Imaging Services, LLC (10) (13) (20)</i>	Related Services								
Common Equity (1,135 units)				3/8/2018				1,135	842
									0.5
Sporting and Recreational Goods and Supplies Merchant									
<i>Master Cutlery, LLC (10) (20)</i>	Wholesalers								
				5/25/2024					
Subordinated Loan (6) (11)	13.00% PIK	N/A	4/17/2015	(22)	\$ 10,389	4,680	320	0.2	
Preferred Equity (3,723 Series A units) 8% PIK			4/17/2015			3,483	—	—	
Common Equity (15,564 units)			4/17/2015			—	—	—	
						10,389	8,163	320	0.2
Pharmaceutical Preparation									
<i>Pfanstiehl Holdings, Inc. (20) (21)</i>	Manufacturing								
Common Equity (400 Class A shares)				1/1/2014				217	70,831
									45.9
Professional and Management Development Training									
<i>TalentSmart Holdings, LLC (10) (13) (20)</i>									
Common Equity (1,595,238 Class A shares)				10/11/2019				1,595	1,141
									0.7
Total Affiliate Investments									
							\$ 10,389	\$ 19,055	\$ 82,534
									53.4 %
Total Investments									
							\$ 401,382	\$ 385,446	\$ 398,156
									258.3 %

Portfolio Company (1) Investment Type	Industry	Interest Rate (2)	Spread Above Index (2)	Initial		Principal Amount	Amortized Cost	Fair Value (3)	Percent of Net Assets
				Date	Maturity				
<i>Madison Park Funding XXIX, Ltd. (7) (9)</i>									
Subordinated Notes		8.09%	N/A	12/22/2020	10/18/2047	\$ 9,500	\$ 5,125	\$ 4,118	2.7 %
<i>Monroe Capital MML CLO X, Ltd.</i>									
Mezzanine Debt - Class E-R		13.88%	SOFR+ 8.75%	4/22/2022	5/20/2034	1,000	973	1,004	0.7

<i>Octagon Investment Partners 39, Ltd. (4) (7) (9)</i>									
Subordinated Notes	0.00%	N/A	1/23/2020	10/20/2030	7,000	3,193	1,224	0.8	
<i>Park Avenue Institutional Advisers CLO Ltd 2021-1</i>									
Mezzanine Debt - Class E	12.84%	SOFR+ 7.30%	1/26/2021	1/20/2034	1,000	985	998	0.7	
<i>Regatta XXII Funding Ltd</i>									
Mezzanine Debt - Class E	12.47%	SOFR+ 7.19%	5/6/2022	7/20/2035	3,000	2,980	3,014	2.0	
<i>THL Credit Wind River 2019-3 CLO Ltd (7) (9)</i>									
Subordinated Notes	0.46%	N/A	4/5/2019	4/15/2031	7,000	4,163	1,782	1.2	
<i>Trinitas CLO VIII, Ltd. (4) (7) (9)</i>									
Subordinated Notes	0.00%	N/A	3/4/2021	7/20/2117	5,200	2,464	724	0.5	
<i>Venture 45 CLO Ltd.</i>									
Mezzanine Debt - Class E	12.98%	SOFR+ 7.70%	4/18/2022	7/20/2035	3,000	2,950	2,662	1.8	
Total Structured Finance Securities						<u>\$ 132,233</u>	<u>\$ 87,536</u>	<u>\$ 73,828</u>	<u>48.9 %</u>
Total Non-control/Non-affiliate Investments						<u>\$ 403,141</u>	<u>\$ 361,429</u>	<u>\$ 308,866</u>	<u>204.2 %</u>
Affiliate Investments									
	Office Machinery and Equipment								
<i>Contract Datascan Holdings, Inc. (20)</i>	Rental and Leasing								
Preferred Equity (3,061 Series A shares) 10% PIK			8/5/2015			\$ 8,121	\$ 9,652		6.4 %
Common Equity (11,273 shares) (10)			6/28/2016			<u>104</u>	<u>—</u>	<u>—</u>	<u>—</u>
						<u>8,225</u>	<u>9,652</u>	<u>6.4</u>	
	Data Processing, Hosting, and								
<i>DRS Imaging Services, LLC (10) (13) (20)</i>	Related Services								
Common Equity (1,135 units)			3/8/2018			1,135	969	0.6	

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September 30, 2024

(Dollar amounts in thousands)

Portfolio Company (1) Investment Type	Industry	Interest Rate (2)	Spread Above Index (2)	Initial Acquisition Date	Maturity	Principal Amount	Amortized Cost	Fair Value (3)	Percent of Net Assets
Pharmaceutical Preparation									
<i>Planstiehl Holdings, Inc. (20) (21)</i>									
Manufacturing									
Common Equity (400 Class A shares)									
1/1/2014									
\$ 217									
\$ 73,666									
48.7 %									
Professional and Management									
<i>TalentSmart Holdings, LLC (10) (13) (20)</i>									
Development Training									
Common Equity (1,595,238 Class A shares)									
10/11/2019									
1,595									
1,581									
1.0									
Total Affiliate Investments									
\$ 11,172									
\$ 85,868									
56.7 %									
Total Investments									
\$ 403,141									
\$ 372,601									
\$ 394,734									
260.9 %									

- (1) Equity ownership may be held in shares or units of companies affiliated with the portfolio company. The Company's investments are generally classified as "restricted securities" as such term is defined under Regulation S-X Rule 6-03(f) or Securities Act Rule 144.
- (2) As of **June 30, 2024** **September 30, 2024**, the Company held loans with an aggregate fair value of **\$217,043** **\$210,465**, or **92%** **91%** of the total loan portfolio, that bore interest at a variable rate indexed to SOFR or Prime, and reset monthly, quarterly, or semi-annually. For each variable-rate investment, the Company has provided the spread over the reference rate and current interest rate in effect as of **June 30, 2024** **September 30, 2024**. Unless otherwise noted, all investments with a stated PIK rate require interest payments with the issuance of additional securities as payment of the entire PIK provision.

OFS Capital Corporation and Subsidiaries

Consolidated Schedule of Investments - Continued (unaudited)

June 30, 2024

(Dollar amounts in thousands)

- (3) Unless otherwise noted in footnote 14, fair value was determined using significant unobservable inputs for all of the Company's investments and are considered Level 3 under GAAP. See **Note 5** for further details.
- (4) As of **June 30, 2024** **September 30, 2024**, the effective accretable yield was estimated to be 0%, as the aggregate amount of projected distributions, including projected distributions related to liquidation of the underlying portfolio upon the security's anticipated optional redemption, was less than current amortized cost. Projected distributions are periodically monitored and re-evaluated. All actual distributions were recognized as reductions to amortized cost until such time, if and when occurring, a future aggregate amount of then-projected distributions exceeds the security's then-current amortized cost.
- (5) Subject to unfunded commitments. See **Note 6**.
- (6) Investment was on non-accrual status as of **June 30, 2024** **September 30, 2024**, meaning the Company suspended recognition of all or a portion of income on the investment. See **Note 4** for further details.
- (7) Amortized cost reflects accretion of effective yield less any cash distributions received or entitled to be received from CLO subordinated note investments. CLO subordinated note positions are entitled to recurring distributions, which are generally equal to the residual cash flow of payments received on underlying securities less contractual payments to debt holders and fund expenses.
- (8) The Company entered into a contractual arrangement with co-lenders whereby, subject to certain conditions, it agreed to receive its payment after the repayment of certain co-lenders pursuant to a payment waterfall. The table below provides additional details as of **June 30, 2024** **September 30, 2024**:

Portfolio Company	Portfolio Company	Reported Interest Rate	Interest Rate per Credit Agreement	Additional Interest per Annum	Portfolio Company	Reported Interest Rate	Interest Rate per Credit Agreement	Additional Interest per Annum
SS Acquisition, LLC	SS Acquisition, LLC	12.29%	11.80%	0.49%	SS Acquisition, LLC	12.31%	11.83%	0.48%
SS Acquisition, LLC	SS Acquisition, LLC	12.98%	11.80%	1.18%	SS Acquisition, LLC	13.00%	11.83%	1.17%

- (9) The rate disclosed on subordinated note investments is the estimated effective yield, generally established at purchase, and reevaluated upon the receipt of the initial distribution and each subsequent quarter thereafter. The estimated effective yield is based upon projected amounts and timing of future distributions and the projected amounts and timing of terminal principal payments at the time of estimation. The estimated effective yield and investment cost may ultimately not be realized. Projected cash flows, including the amounts and timing of terminal principal payments, which generally are projected to occur prior to the contractual maturity date, were utilized in deriving the effective yield of the investments.

- (10) Non-income producing.

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- (11) The interest rate on these investments contains a PIK provision, whereby the issuer has the option to make interest payments in cash or with the issuance of additional securities as payment of the entire PIK provision. The interest rate in the schedule represents the current interest rate in effect for these investments. The following table provides additional details on these PIK investments, including the maximum annual PIK interest rate allowed as of **June 30, 2024** **September 30, 2024**:

Portfolio Company	Investment Type	Range of PIK Option	Range of Cash Option	Maximum PIK Rate Allowed
Inergex Holdings, LLC	First Lien Debt	0% to 2.00%	12.48% 11.75% to 14.48% 13.75%	2.00%
Inergex Holdings, LLC	First Lien Debt (Revolver)	0% to 2.00%	12.48% 11.75% to 14.48% 13.75%	2.00%
Kreg, LLC	First Lien Debt	0% to 2.00%	9.73% 9.00% to 11.73% 11.00%	2.00%
Master Cutlery, LLC	Subordinated Loan	0% to 13.00%	0% to 13.00%	13.00%
RumbleOn, Inc.	First Lien Debt	0% to 0.50% 1.50%	14.34% 14.27% to 14.84% 15.77%	0.50% 1.50%
RumbleOn, Inc.	First Lien Debt	0% to 0.50% 1.50%	14.34% 14.27% to 14.84% 15.77%	0.50% 1.50%

- (12) Represents expiration date of the warrants.

- (13) All or a portion of investment held by a wholly owned subsidiary subject to income tax.

- (14) Fair value was determined by reference to observable inputs other than quoted prices in active markets and are considered Level 2 under GAAP. See **Note 5** for further details.

- (15) Investments (or a portion thereof) held by OFSCC-FS. These assets are pledged as collateral of the BNP Facility and cannot be pledged under any debt obligation of the Parent.

- (16) Non-qualifying assets under Section 55(a) of the 1940 Act. Qualifying assets as defined in Section 55 of the 1940 Act must represent at least 70% of the Company's assets immediately following the acquisition of any additional non-qualifying assets. As of **June 30, 2024** **September 30, 2024**, approximately **80%** **81%** of the Company's assets were qualifying assets.

- (17) Equity participation rights issued by an unaffiliated third party fully covered with underlying positions in the portfolio company.

- (18) Not meaningful as there is no outstanding balance on the revolver or delayed draw facility. The Company earns unfunded commitment fees on undrawn revolving lines of credit balances, which are reported in fee income.
- (19) The Company holds at least one seat on the portfolio company's board of directors.
- (20) The Company has an observer seat on the portfolio company's board of directors.
- (21) Portfolio company represents greater than 5% of total assets as of **June 30, 2024** **September 30, 2024**.
- (22) The Master Cutlery, LLC loan became contractually due on May 25, 2024. The lenders have filed a motion to receive a final recovery payment from the portfolio company.

See Notes to Consolidated Financial Statements (unaudited).

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Portfolio Company (1)	Investment Type	Industry	Interest Rate (2)	Spread Above Index (2)	Initial Acquisition Date	Maturity	Principal	Amortized	Fair Value	Percent of
							Amount	Cost	(3)	Net Assets
<u>Non-control/Non-affiliate Investments</u>										
24 Seven Holdco, LLC (15)		Temporary Help Services								
First Lien Debt			11.45%	SOFR+ 6.00%	1/28/2022	11/16/2027	\$ 8,820	\$ 8,776	\$ 8,483	5.2 %
<u>Advantage Sales & Marketing Inc. (F/K/A Karman Buyer Corp) (14) (15)</u>										
First Lien Debt		Advertising Agencies	10.18%	SOFR+ 4.50%	3/2/2022	10/28/2027	2,260	2,238	2,249	1.4
<u>A/DC IntermediateCo 2, LLC (15)</u>										
First Lien Debt		Computer Systems Design Services	11.80%	SOFR+ 6.25%	7/22/2022	7/22/2027	1,980	1,948	1,974	1.2
First Lien Debt			11.78%	SOFR+ 6.25%	7/31/2023	7/22/2027	46	45	46	—
							2,026	1,993	2,020	1.2
<u>Allen Media, LLC (14) (15)</u>										
First Lien Debt		Cable and Other Subscription Programming	11.00%	SOFR+ 5.50%	3/2/2021	2/10/2027	3,729	3,726	3,325	2.1
<u>All Star Auto Lights, Inc. (4) (15) (20)</u>										
First Lien Debt		Motor Vehicle Parts (Used) Merchant Wholesalers	10.97%	SOFR+ 5.50%	12/19/2019	8/20/2025	22,861	22,719	22,853	14.1
First Lien Debt			10.96%	SOFR+ 5.50%	8/4/2022	8/20/2025	4,925	4,872	4,923	3.0
							27,786	27,591	27,776	17.1
<u>Astro One Acquisition Corporation (6)</u>										
Second Lien Debt		Other Miscellaneous Nondurable Goods Merchant Wholesalers	14.11%	SOFR+ 8.50%	1/31/2022	9/14/2029	3,000	2,596	110	0.1
<u>Avison Young (6) (21)</u>										
First Lien Debt (15)		Nonresidential Property Managers	12.11%	SOFR+ 6.50%	11/25/2021	1/31/2026	3,925	3,903	1,063	0.7
First Lien Debt			12.64%	SOFR+ 7.00%	8/19/2022	1/31/2026	794	757	215	0.1
							4,719	4,660	1,278	0.8
<u>BayMark Health Services, Inc. (15)</u>										
Second Lien Debt		Outpatient Mental Health and Substance Abuse Centers	14.11%	SOFR+ 8.50%	6/10/2021	6/11/2028	4,962	4,915	4,962	3.1
Second Lien Debt			14.12%	SOFR+ 8.50%	6/10/2021	6/11/2028	3,988	3,948	3,988	2.5
							8,950	8,863	8,950	5.6

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Portfolio Company (1)	Investment Type	Industry	Interest Rate (2)	Spread Above Index (2)	Initial Acquisition		Principal Amount	Amortized Cost	Fair Value (3)	Percent of Net Assets
					Date	Maturity				
BCPE North Star US Holdco 2, Inc. (F/K/A Dessert Holdings)	Second Lien Debt	Ice Cream and Frozen Dessert Manufacturing	12.72%	SOFR+ 7.25%	2/2/2022	6/8/2029	\$ 1,667	\$ 1,645	\$ 1,474	0.9 %
Boca Home Care Holdings, Inc. (19)		Services for the Elderly and Persons with Disabilities								
First Lien Debt (15)			11.96%	SOFR+ 6.50%	2/25/2022	2/25/2027	10,972	10,874	10,597	6.5
First Lien Debt (Revolver) (5)			n/m (18)	SOFR+ 6.50%	2/25/2022	2/25/2027	—	(10)	(44)	—
Common Equity (1,290 Class A units) (10) (13)					2/25/2022			1,290	827	0.5
Preferred Equity (3,446 Class A Units), 12.0% cash / 2.0% PIK					3/3/2023			345	344	0.2
Clevertech Bidco, LLC		Commodity Contracts Dealing					10,972	12,499	11,724	7.2
First Lien Debt (15)			12.25%	SOFR+ 6.75%	11/3/2023	12/30/2027	3,198	3,106	3,106	1.9
First Lien Debt (Revolver) (5)			n/m (18)	SOFR+ 6.75%	11/3/2023	12/30/2027	—	(9)	(9)	—
Constellis Holdings, LLC (10)		Other Justice, Public Order, and Safety Activities					3,198	3,097	3,097	1.9
Common Equity (20,628 common shares)					3/27/2020			703	45	—
Convergint Technologies Holdings, LLC	Second Lien Debt	Security Systems Services (except Locksmiths)	12.22%	SOFR+ 6.75%	9/28/2018	3/30/2029	5,938	5,863	5,877	3.6
Creation Technologies (15) (21)		Bare Printed Circuit Board Manufacturing								
First Lien Debt			11.18%	SOFR+ 5.50%	9/24/2021	10/5/2028	1,970	1,959	1,851	1.1
Diamond Sports Group, LLC (6) (14) (15)	Second Lien Debt	Television Broadcasting	10.71%	SOFR+ 5.25%	11/19/2019	8/24/2026	1,935	1,935	92	0.1
East West Manufacturing (15)		Fluid Power Pump and Motor Manufacturing								
First Lien Debt			11.13%	SOFR+ 5.75%	2/11/2022	12/22/2028	1,930	1,916	1,855	1.1
Electrical Components International, Inc.		Current-Carrying Wiring Device Manufacturing								
Second Lien Debt			13.96%	SOFR+ 8.50%	4/8/2021	6/26/2026	3,679	3,452	3,561	2.2

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Portfolio Company (1)	Investment Type	Industry	Interest Rate (2)	Spread Above Index (2)	Initial Acquisition		Principal Amount	Amortized Cost	Fair Value (3)	Percent of Net Assets
					Date	Maturity				
Envocore Holding, LLC (F/K/A LRI Holding, LLC) (4) (17)	First Lien Debt	Electrical Contractors and Other Wiring Installation Contractors	7.50%	N/A	6/30/2017	12/31/2025	\$ 6,295	\$ 6,295	\$ 6,295	3.9 %
Second Lien Debt (6) (10)			10.00% PIK	N/A	6/30/2017	12/31/2026	7,844	6,584	3,801	2.3

First Lien Debt (Revolver) (5)	n/m (18)	N/A	11/29/2021	12/31/2025	—	—	—	—
Equity Participation Rights (7) (10)			12/31/2021		4,722	—	—	—
					14,139	17,601	10,096	6.2
<i>Excelin Home Health, LLC (4)</i>	Home Health Care Services							
Second Lien Debt	18.00% PIK	N/A	10/25/2018	12/31/2025	4,932	4,839	4,173	2.6
	Other Aircraft Parts and Auxiliary							
<i>GGC Aerospace Topco L.P. (10)</i>	Equipment Manufacturing							
Common Equity (368,852 Class A units)			12/29/2017		450	—	—	—
Common Equity (40,984 Class B units)			12/29/2017		50	—	—	—
					500	—	—	—
	Data Processing, Hosting, and							
<i>GoTo Group (F/K/A LogMeIn, Inc.) (14) (15)</i>	Related Services							
First Lien Debt	10.28%	SOFR+ 4.75%	3/26/2021	8/31/2027	2,916	2,915	1,943	1.2
<i>Heritage Grocers Group, LLC. (F/K/A Tony's Fresh Market / Cardenas Markets) (15)</i>	Supermarkets and Other Grocery (except Convenience) Stores							
First Lien Debt	12.20%	SOFR+ 6.75%	7/20/2022	8/1/2029	5,925	5,641	5,925	3.7
	Services for the Elderly and Persons with Disabilities							
<i>Honor HN Buyer Inc</i>								
First Lien Debt (15)	11.25%	SOFR+ 5.75%	10/15/2021	10/15/2027	6,466	6,385	6,466	4.0
First Lien Debt (15)	11.25%	SOFR+ 5.75%	10/15/2021	10/15/2027	4,089	4,029	4,089	2.5
First Lien Debt (Revolver) (5)	13.25%	Prime+ 4.75%	10/15/2021	10/15/2027	95	85	95	0.1
First Lien Debt (Delayed Draw) (5) (15)	11.50%	SOFR+ 6.00%	3/31/2023	10/15/2027	2,706	2,682	2,706	1.7
					13,356	13,181	13,356	8.3
	Computer and Computer Peripheral Equipment and Software Merchant							
<i>Idera Inc.</i>	Wholesalers							
Second Lien Debt	12.28%	SOFR+ 6.75%	1/27/2022	3/2/2029	4,000	4,000	3,850	2.4

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Portfolio Company (1)	Investment Type	Industry	Initial						Percent of Net Assets
			Interest Rate (2)	Spread Above Index (2)	Acquisition Date	Maturity	Principal Amount	Amortized Cost	
<i>Inergex Holdings, LLC (11)</i>		Other Computer Related Services							
First Lien Debt		12.58% cash / 1.00% PIK	SOFR+ 7.00%	10/1/2018	10/1/2024	\$ 14,868	\$ 14,783	\$ 14,868	9.2 %
First Lien Debt (Revolver)		12.58% cash / 1.00% PIK	SOFR+ 7.00%	10/1/2018	10/1/2024	2,344	2,312	2,344	1.4
						17,212	17,095	17,212	10.6
<i>Ivanti Software, Inc. (14) (15)</i>		Software Publishers							
First Lien Debt		9.91%	SOFR+ 4.25%	3/26/2021	12/1/2027	2,933	2,940	2,792	1.7
		Drugs and Druggists' Sundries							
<i>JP Intermediate B, LLC (15)</i>		Merchant Wholesalers							
First Lien Debt		11.14%	SOFR+ 5.50%	1/14/2021	11/20/2027	4,697	4,513	3,368	2.1
		Other Ambulatory Health Care Services							
<i>Kreg LLC</i>									

First Lien Debt (11) (15)	9.75% cash / 2.50% PIK	SOFR+ 4.25%	12/20/2021	12/20/2026	17,139	17,066	15,989	9.9
First Lien Debt (Revolver) (5)	n/m (18)	SOFR+ 6.25%	12/20/2021	12/20/2026	—	(6)	(90)	(0.1)
					17,139	17,060	15,899	9.8
<i>Medrina LLC</i>	All Other Outpatient Care Centers							
First Lien Debt (15)	11.74%	SOFR+ 6.25%	10/20/2023	10/20/2029	2,234	2,180	2,180	1.3
First Lien Debt (Delayed Draw) (5) (15)	n/m (18)	SOFR+ 6.25%	10/20/2023	10/20/2029	—	(5)	(5)	—
First Lien Debt (Revolver) (5)	n/m (18)	SOFR+ 6.25%	10/20/2023	10/20/2029	—	(8)	(8)	—
					2,234	2,167	2,167	1.3
<i>Metasource, LLC (15)</i>	All Other Business Support Services							
First Lien Debt	11.72% cash / 0.50% PIK	SOFR+ 6.25%	5/17/2022	5/17/2027	2,755	2,733	2,597	1.6
First Lien Debt (Delayed Draw) (5)	n/m (18)	SOFR+ 6.25%	5/17/2022	5/17/2027	—	(4)	(69)	—
					2,755	2,729	2,528	1.6
<i>One GI LLC</i>	Offices of Other Holding Companies							
First Lien Debt (15)	12.21%	SOFR+ 6.75%	12/13/2021	12/22/2025	7,432	7,358	7,066	4.4
First Lien Debt (15)	12.21%	SOFR+ 6.75%	12/13/2021	12/22/2025	3,916	3,876	3,723	2.3
First Lien Debt (Revolver) (5)	n/m (18)	SOFR+ 6.75%	12/13/2021	12/22/2025	—	(14)	(71)	—
					11,348	11,220	10,718	6.7

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Portfolio Company (1)	Investment Type	Industry	Interest Rate (2)	Spread Above Index (2)	Initial Acquisition		Principal Amount	Amortized Cost	Fair Value (3)	Percent of Net Assets
					Date	Maturity				
<i>Planet Bingo, LLC (F/K/A 3rd Rock Gaming Holdings, LLC) (6)</i>		Software Publishers								
First Lien Debt			6.50%	N/A	3/13/2018	12/31/2025	\$ 16,648	\$ 14,113	\$ 6,858	4.2 %
		All Other General Merchandise								
<i>PM Acquisition LLC</i>		Stores								
Common Equity (499 units) (10)					9/30/2017			499	551	0.3
<i>Reception Purchaser LLC (15)</i>		Transportation and Warehousing								
First Lien Debt			11.50%	SOFR+ 6.00%	4/28/2022	3/24/2028	2,523	2,495	2,257	1.4
		Computer and Computer Peripheral								
<i>Redstone Holdco 2 LP (F/K/A RSA Security) (15)</i>		Equipment and Software Merchant								
Wholesalers										
First Lien Debt (14)			10.22%	SOFR+ 4.75%	4/16/2021	4/27/2028	1,715	1,708	1,307	0.8
Second Lien Debt			13.22%	SOFR+ 7.75%	4/16/2021	4/27/2029	4,450	4,407	3,272	2.0
							6,165	6,115	4,579	2.8
<i>RPLF Holdings, LLC (10) (13)</i>		Software Publishers								
Common Equity (345,339 Class A units)					1/17/2018			—	1,182	0.7
		Other Industrial Machinery								
<i>RumbleOn, Inc. (15) (21)</i>		Manufacturing								
First Lien Debt (11)		14.36% Cash / 0.50% PIK		SOFR+ 8.75%	8/31/2021	8/31/2026	2,858	2,769	2,633	1.6
First Lien Debt (11)		14.36% Cash / 0.50% PIK		SOFR+ 8.75%	8/31/2021	8/31/2026	862	854	795	0.5

Warrants (warrants to purchase up to \$218,000 in common stock)		8/14/2028							
		8/31/2021	(12)		200		72		—
					3,720	3,823	3,500	2.1	
Sentry Centers Holdings, LLC (10) (13)	Other Professional, Scientific, and Technical Services								
Preferred Equity (1,603 Series B units)		9/4/2020				160	77	—	
Signal Parent, Inc. (14) (15)	New Single-Family Housing Construction (except For-Sale Builders)								
First Lien Debt		8.96%	SOFR+ 3.50%	3/25/2021	4/3/2028	1,803	1,791	1,616	1.0

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Portfolio Company (1)	Investment Type	Industry	Initial Acquisition				Principal Amount	Amortized Cost	Fair Value (3)	Percent of Net Assets
			Interest Rate (2)	Spread Above Index (2)	Date	Maturity				
<i>Spear Education Holdings, LLC (15)</i>		Professional and Management Development Training	13.00%	SOFR+ 7.50%	2/10/2023	12/15/2027	\$ 1,485	\$ 1,455	\$ 1,484	0.9 %
<i>SSJA Bariatric Management LLC (15)</i>		Offices of Physicians, Mental Health Specialists								
First Lien Debt			10.75%	SOFR+ 5.25%	8/26/2019	8/26/2024	9,575	9,563	9,186	5.7
First Lien Debt			10.75%	SOFR+ 5.25%	12/31/2020	8/26/2024	1,035	1,033	993	0.6
First Lien Debt			10.75%	SOFR+ 5.25%	12/8/2021	8/26/2024	2,607	2,600	2,501	1.5
First Lien Debt (Revolver) (5)			10.75%	SOFR+ 5.25%	8/26/2019	8/26/2024	200	199	173	0.1
							13,417	13,395	12,853	7.9
<i>SS Acquisition, LLC (8) (15)</i>		Sports and Recreation Instruction								
First Lien Debt			12.41%	SOFR+ 6.75%	12/30/2021	12/30/2026	3,042	3,023	3,042	1.9
First Lien Debt			13.10%	SOFR+ 7.45%	12/30/2021	12/30/2026	1,460	1,449	1,460	0.9
							4,502	4,472	4,502	2.8
<i>Staples, Inc. (14) (15) (21)</i>		Business to Business Electronic Markets								
First Lien Debt			10.46%	L+ 5.00%	6/24/2019	4/16/2026	2,870	2,841	2,728	1.7
<i>STS Operating, Inc.</i>		Industrial Machinery and Equipment Merchant Wholesalers								
Second Lien Debt			13.46%	SOFR+ 8.00%	5/15/2018	4/30/2026	9,073	9,072	9,073	5.6
<i>Tolemar Acquisition, Inc.</i>		Motorcycle, Bicycle, and Parts Manufacturing								
First Lien Debt (15)			11.75%	SOFR+ 6.00%	10/14/2021	10/14/2026	15,347	15,304	14,334	8.8
First Lien Debt (Revolver) (5)			11.75%	SOFR+ 6.00%	10/14/2021	10/14/2026	592	585	422	0.3
							15,939	15,889	14,756	9.1
<i>TruGreen Limited Partnership</i>		Landscaping Services								
Second Lien Debt			14.14%	SOFR+ 8.50%	5/13/2021	11/2/2028	4,500	4,592	4,287	2.6
<i>United Biologics Holdings, LLC (4) (10)</i>		Medical Laboratories								
Preferred Equity (4,701 units)					4/16/2013		9	—	—	

OFS Capital Corporation and Subsidiaries
Consolidated Schedule of Investments
December 31, 2023
(Dollar amounts in thousands)

Portfolio Company (1) Investment Type	Portfolio Company (1) Investment Type	Industry	Interest Rate (2)	Spread Above Index (2)	Initial Acquisition Date	Maturity	Principal Amount	Amortized Cost	Fair Value (3)
<i>Wellful Inc. (F/K/A KNS Acquisition Corp.) (15)</i>									
First Lien Debt									
First Lien Debt									
First Lien Debt				11.72% SOFR+ 6.25%		4/16/2021		4/21/2027	
Total Debt and Equity Investments									
Total Debt and Equity Investments									
Total Debt and Equity Investments									
Structured Finance Securities (21)									
Structured Finance Securities (21)									
Structured Finance Securities (21)									
Apex Credit CLO 2020 (9) (16)									
Apex Credit CLO 2020 (9) (16)									
Apex Credit CLO 2020 (9) (16)									
Apex Credit CLO 2020 Ltd. (9) (16)									
Apex Credit CLO 2020 Ltd. (9) (16)									
Apex Credit CLO 2020 Ltd. (9) (16)									
Subordinated Notes									
Subordinated Notes									
Subordinated Notes			14.89%	N/A		11/16/2020		10/20/2031	
Apex Credit CLO 2021 Ltd (9) (16)									
Apex Credit CLO 2021 Ltd (9) (16)									
Apex Credit CLO 2021 Ltd (9) (16)									
Subordinated Notes									
Subordinated Notes									
Subordinated Notes									
Apex Credit CLO 2022- 1A (9) (16)									

Apex Credit CLO 2022-1A (9) (16)
Apex Credit CLO 2022-1A (9) (16)
Apex Credit CLO 2022-1 Ltd. (9) (16)
Apex Credit CLO 2022-1 Ltd. (9) (16)
Apex Credit CLO 2022-1 Ltd. (9) (16)

Subordinated Notes

Subordinated Notes

Subordinated Notes

Ares L CLO Ltd.

Ares L CLO Ltd.

Ares L CLO Ltd.

Mezzanine Debt - Class E

Mezzanine Debt - Class E

Mezzanine Debt - Class E

Barings CLO 2019-I Ltd.

Barings CLO 2019-I Ltd.

Barings CLO 2019-I Ltd.

Mezzanine Debt - Class E

Mezzanine Debt - Class E

Mezzanine Debt - Class E

Battalion CLO XI, Ltd.

Battalion CLO XI, Ltd.

Battalion CLO XI, Ltd.

Mezzanine Debt - Class E

Mezzanine Debt - Class E

Mezzanine Debt - Class E

Brightwood Capital MM CLO 2023-1A, Ltd.

Brightwood Capital MM CLO 2023-1A, Ltd.

Brightwood Capital MM CLO 2023-1A, Ltd.

Mezzanine Debt - Class D

Mezzanine Debt - Class D

Mezzanine Debt - Class D

Mezzanine

Debt - Class E

Subordinated

Notes (9)

(16)

8,542

Dryden 53 CLO, LTD. (9) (16)

Dryden 53 CLO, LTD. (9) (16)

Dryden 53 CLO, LTD. (9)
(16)

Subordinated Notes -

Income

Subordinated Notes -

Income

Subordinated Notes -

Income

Subordinated
Notes

4,859

OFS Capital Corporation and Subsidiaries
Consolidated Schedule of Investments
December 31, 2023
(Dollar amounts in thousands)

Portfolio Company (1)	Portfolio Company (1)	Industry	Interest Rate (2)	Spread Above Index (2)	Initial Acquisition Date	Maturity	Principal Amount	Amortized Cost	Fair Value (3)	Percent of Net Assets (1)	Portfolio Company of Investment Assets Type	Industry	Interest Rate (2)	Spread Above Index (2)
Dryden 76 CLO, Ltd. (9) (16)														
Subordinated Notes														
Subordinated Notes			16.12%	N/A	9/27/2019	10/20/2032	\$2,750	\$	\$2,332	\$	\$1,779	1.1	1.1 %	16.12% N/A
Flatiron CLO 18, Ltd. (9) (16)														
Flatiron CLO 18, Ltd. (9) (16)														
Flatiron CLO 18, Ltd. (9) (16)														
Subordinated Notes														
Subordinated Notes														
Subordinated Notes														
Madison Park Funding XXIII, Ltd. (9) (16)														
Madison Park Funding XXIII, Ltd. (9) (16)														
Madison Park Funding XXIII, Ltd. (9) (16)														
Subordinated Notes														
Subordinated Notes														
Subordinated Notes														
Madison Park Funding XXIX, Ltd. (9) (16)														
Madison Park Funding XXIX, Ltd. (9) (16)														
Madison Park Funding XXIX, Ltd. (9) (16)														
Subordinated Notes														
Subordinated Notes														
Subordinated Notes														

Monroe Capital MML

CLO X, Ltd.

Monroe Capital MML

CLO X, Ltd.

Monroe Capital MML

CLO X, Ltd.

Mezzanine Debt - Class

E-R

Mezzanine Debt - Class

E-R

Mezzanine Debt - Class

E-R

Octagon Investment

Partners 39, Ltd. (9)

(16)

Octagon Investment

Partners 39, Ltd. (9)

(16)

Octagon Investment

Partners 39, Ltd. (9)

(16)

Subordinated Notes

Subordinated Notes

Subordinated Notes

Park Avenue

Institutional Advisers

CLO Ltd 2021-1

Park Avenue

Institutional Advisers

CLO Ltd 2021-1

Park Avenue

Institutional Advisers

CLO Ltd 2021-1

Mezzanine Debt - Class

E

Mezzanine Debt - Class

E

Mezzanine Debt - Class

E

Redding Ridge 4 Ltd.

(9) (16)

Redding Ridge 4 Ltd.

(9) (16)

Redding Ridge 4 Ltd.

(9) (16)

Subordinated Notes

Subordinated Notes

Subordinated Notes

Regatta XXII Funding

Ltd

Regatta XXII Funding

Ltd

Regatta XXII Funding

Ltd

Mezzanine Debt - Class

E

Mezzanine Debt - Class

E

Mezzanine Debt - Class

E

THL Credit Wind River

2019-3 CLO Ltd. (9)

(16)

THL Credit Wind River

2019-3 CLO Ltd. (9)

(16)

THL Credit Wind River

2019-3 CLO Ltd. (9)

(16)

Subordinated Notes

Subordinated Notes

Subordinated Notes

Trinitas CLO VIII (9)

(16)

Trinitas CLO VIII (9)

(16)

Trinitas CLO VIII (9)

(16)

Trinitas CLO VIII, Ltd.

(9) (16)

Trinitas CLO VIII, Ltd.

(9) (16)

Trinitas CLO VIII, Ltd.

(9) (16)

Subordinated Notes

Subordinated Notes

Subordinated Notes

OFS Capital Corporation and Subsidiaries

Consolidated Schedule of Investments

December 31, 2023

(Dollar amounts in thousands)

Portfolio Company (1)	Investment Type	Industry	Interest Rate (2)	Spread Above Index (2)	Initial		Principal Amount	Amortized Cost	Fair Value (3)	Percent of Net Assets
					Date	Maturity				
<i>Venture 45 CLO Ltd.</i>										
	Mezzanine Debt - Class E		13.12%	SOFR+ 7.70%	4/18/2022	7/20/2035	\$ 3,000	\$ 2,942	\$ 2,579	1.6 %
<i>Wellfleet CLO 2018-2 Ltd. (9) (16)</i>										
	Subordinated Notes		9.99%	N/A	3/4/2021	10/20/2031	1,000	627	270	0.2
<i>Total Structured Finance Securities</i>										
							\$ 125,267	\$ 97,121	\$ 79,045	48.8 %
<i>Total Non-control/Non-affiliate Investments</i>										
							\$ 410,684	\$ 384,339	\$ 333,456	205.8 %
Affiliate Investments										
		Office Machinery and Equipment								
	<i>Contract Datascan Holdings, Inc. (4) (19)</i>	Rental and Leasing								
	Preferred Equity (3,061 Series A shares) 10.0%									
	PIK				8/5/2015			\$ 7,309	\$ 10,312	6.4 %
	Common Equity (11,273 shares) (10)				6/28/2016			104	271	0.2

							7,412	10,583	6.6
<i>DRS Imaging Services, LLC (13) (19)</i>	Data Processing, Hosting, and Related Services								
Common Equity (1,135 units)			3/8/2018				1,135	393	0.2
<i>Master Cutlery, LLC (4) (10) (19)</i>	Sporting and Recreational Goods and Supplies Merchant Wholesalers								
Subordinated Debt (6) (11)	13.00% PIK	N/A	4/17/2015	5/25/2024	9,749	4,680	—	—	—
Preferred Equity (3,723 Series A units), 8.0% PIK			4/17/2015			3,483	—	—	—
Common Equity (15,564 units)			4/17/2015			—	—	—	—
					9,749	8,163	—	—	—
<i>Pfanziehl Holdings, Inc. (4) (19) (20)</i>	Pharmaceutical Preparation Manufacturing								
Common Equity (400 Class A shares)			1/1/2014				217	70,927	43.8
<i>TalentSmart Holdings, LLC (10) (13) (19)</i>	Professional and Management Development Training								
Common Equity (1,595,238 Class A shares)			10/11/2019				1,595	1,136	0.7

OFS Capital Corporation and Subsidiaries

Consolidated Schedule of Investments

December 31, 2023

(Dollar amounts in thousands)

Portfolio Company (1)	Industry	Interest Rate (2)	Spread Above Index (2)	Initial Acquisition Date	Principal Amount	Amortized Cost	Fair Value (3)	Percent of Net Assets
<i>Investment Type</i>								
	Commercial and Industrial							
	Machinery and Equipment (except							
	Automotive and Electronic) Repair and Maintenance							
<i>TRS Services, LLC (4) (19)</i>								
Preferred Equity (1,937,191 Class A units), 11.0% PIK				12/10/2014		\$ 97	\$ 2,507	1.5 %
Common Equity (3,000,000 units) (10)				12/10/2014		572	1,285	0.8
						669	3,792	2.3
Total Affiliate Investments					\$ 9,749	\$ 19,191	\$ 86,831	53.6 %
Total Investments					\$ 420,432	\$ 403,530	\$ 420,287	259.4 %

- (1) Equity ownership may be held in shares or units of companies affiliated with the portfolio company. The Company's investments are generally classified as "restricted securities" as such term is defined under Regulation S-X Rule 6-03(f) or Securities Act Rule 144.
- (2) As of December 31, 2023, the Company held loans with an aggregate fair value of \$230,195, or 92% of the total loan portfolio, that bore interest at a variable rate indexed to LIBOR (L), Prime or SOFR, and reset monthly, quarterly, or semi-annually. For each variable-rate investment, the Company has provided the spread over the reference rate and current interest rate in effect as of December 31, 2023. Unless otherwise noted, all investments with a stated PIK rate require interest payments with the issuance of additional securities as payment of the entire PIK provision.
- (3) Unless otherwise noted with footnote 14, fair value was determined using significant unobservable inputs for all of the Company's investments and are considered Level 3 under GAAP. See **Note 5** for further details.
- (4) Investments (or portion thereof) held by SBIC I LP. These assets were pledged as collateral of the SBA debentures and could not be pledged under any debt obligation of the Company.
- (5) Subject to unfunded commitments. See **Note 6**.
- (6) Investment was on non-accrual status as of December 31, 2023, meaning the Company suspended recognition of all or a portion of income on the investment. See **Note 4** for further details.
- (7) Equity participation rights issued by unaffiliated third party fully covered with underlying positions in the portfolio company.
- (8) The Company entered into a contractual arrangement with co-lenders whereby, subject to certain conditions, it agreed to receive its payment after the repayment of certain co-lenders pursuant to a payment waterfall. The table below provides additional details as of December 31, 2023:

Portfolio Company	Reported Interest		Interest Rate per Credit	
	Rate	Agreement	Additional Interest per Annum	
SS Acquisition, LLC	12.41%	11.89%		0.51%
SS Acquisition, LLC	13.10%	11.89%		1.21%

- (9) The rate disclosed on subordinated note investments is the estimated effective yield, generally established at purchase, and reevaluated upon the receipt of the initial distribution and each subsequent quarter thereafter. The estimated effective yield is based upon projected amounts and timing of future distributions and the projected amounts and timing of terminal principal payments at the time of estimation. The estimated effective yield and investment cost may ultimately not be realized. Projected cash flows, including the amounts and timing of terminal principal payments, which generally are projected to occur prior to the contractual maturity date, were utilized in deriving the effective yield of the investments.
- (10) Non-income producing.

OFS Capital Corporation and Subsidiaries
Consolidated Schedule of Investments
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- (11) The interest rate on these investments contains a PIK provision, whereby the issuer has the option to make interest payments in cash or with the issuance of additional securities as payment of the entire PIK provision. The interest rate in the schedule represents the current interest rate in effect for these investments. The following table provides additional details on these PIK investments, including the maximum annual PIK interest rate allowed as of December 31, 2023:

Portfolio Company	Investment Type	Range of PIK Option	Range of Cash Option	Maximum PIK Rate Allowed
Inergex Holdings, LLC	First Lien Debt	0% to 1.00%	12.58% to 13.58%	1.00%
Inergex Holdings, LLC	First Lien Debt (Revolver)	0% to 1.00%	12.58% to 13.58%	1.00%
Kreg LLC	First Lien Debt	0% to 2.00%	9.75% to 11.75%	2.00%
Master Cutlery, LLC	Subordinated Debt	0% to 13.00%	0% to 13.00%	13.00%
RumbleOn, Inc.	First Lien Debt	0% to 0.50%	14.36% to 14.86%	0.50%

- (12) Represents expiration date of the warrants.
- (13) All or a portion of investment held by a wholly owned subsidiary subject to income tax.
- (14) Fair value was determined by reference to observable inputs other than quoted prices in active markets and are considered Level 2 under GAAP. See **Note 5** for further details.
- (15) Investments (or a portion thereof) held by OFSCC-FS. These assets are pledged as collateral of the BNP Facility and cannot be pledged under any other debt obligation of the Company.
- (16) Amortized cost reflects accretion of effective yield less any cash distributions received or entitled to be received from CLO subordinated note investments. CLO subordinated note positions are entitled to recurring distributions, which are generally equal to the residual cash flow of payments received on underlying securities less contractual payments to debt holders and fund expenses.
- (17) The Company holds at least one seat on the portfolio company's board of directors.
- (18) Not meaningful as there is no outstanding balance on the revolver or delayed draw loan. The Company earns unfunded commitment fees on undrawn revolving lines of credit balances, which are reported in fee income.
- (19) The Company has an observer seat on the portfolio company's board of directors.
- (20) Portfolio company at fair value represents greater than 5% of total assets at December 31, 2023.
- (21) Non-qualifying assets under Section 55(a) of the 1940 Act. Qualifying assets as defined in Section 55 of the 1940 Act must represent at least 70% of the Company's assets immediately following the acquisition of any additional non-qualifying assets. As of December 31, 2023, approximately 81% of the Company's assets were qualifying assets.

See Notes to Consolidated Financial Statements.

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)
(Dollar amounts in thousands, except per share data)

Note 1. Organization

OFS Capital Corporation, a Delaware corporation, is an externally managed, closed-end, non-diversified management investment company. The Company has elected to be regulated as a BDC under the 1940 Act. In addition, for income tax purposes, the Company has elected to be treated, and intends to qualify annually, as a RIC under Subchapter M of the Code.

The Company's investment objective is to provide stockholders with both current income and capital appreciation primarily through debt investments and, to a lesser extent, equity investments.

OFS Advisor manages the day-to-day operations of, and provides investment advisory services to, the Company. In addition, OFS Advisor serves as the investment adviser to HPCI, a non-traded BDC with an investment strategy and objective similar to that of the Company. OFS Advisor also serves as the investment adviser to OCC1, a non-diversified, externally managed, closed-end management investment company that is registered as an investment company under the 1940 Act and that primarily invests in Structured Finance Securities. Additionally, OFS Advisor serves as the investment adviser to separately-managed accounts and sub-advisor to investment companies managed by an affiliate.

The Company may make investments directly or through one or more of its subsidiaries: OFSCC-FS, SBIC I LP or OFSCC-MB.

OFSCC-FS, an indirect wholly owned and consolidated subsidiary of the Company, is a special-purpose vehicle formed in April 2019 for the purpose of acquiring senior secured loan investments. OFSCC-FS has debt financing through its BNP Facility, which provides OFSCC-FS with borrowing capacity of up to \$150,000, subject to a borrowing base and other covenants.

SBIC I LP is an investment company subsidiary previously licensed under the SBA's small business investment company program that was subject to SBA regulations and policies. On March 1, 2024, SBIC I LP fully repaid its outstanding SBA debentures and, on April 17, 2024, surrendered its license to operate as a SBIC.

OFSCC-MB is a wholly owned and consolidated subsidiary taxed under subchapter C of the Code that generally holds the Company's equity investments in portfolio companies that are taxed as pass-through entities.

Note 2. Summary of Significant Accounting Policies

Basis of presentation: The Company is an investment company as defined in the accounting and reporting guidance under ASC Topic 946, *Financial Services—Investment Companies*. The accompanying interim consolidated financial statements of the Company and related financial information have been prepared in accordance with GAAP for interim financial information and pursuant to the requirements for reporting on Form 10-Q, and Articles 6, 10 and 12 of Regulation S-X. Accordingly, they do not include all of the information and notes required by GAAP for annual financial statements. However, in the opinion of management, the consolidated financial statements include all adjustments, consisting only of normal and recurring accruals and adjustments, necessary for fair presentation as of, and for, the periods presented. These consolidated financial statements and notes hereto should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, filed on March 5, 2024. The results of operations for any interim period are not necessarily indicative of the results of operations to be expected for the full year.

Significant Accounting Policies: The following information supplements the description of significant accounting policies contained in Note 2 to the Company's consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

Reclassifications: Certain prior period amounts have been reclassified to conform to the current period presentation in the consolidated financial statements and the accompanying notes thereto. Reclassifications did not impact net increase (decrease) in net assets resulting from operations, total assets, total liabilities or total net assets, or consolidated statements of changes in net assets and consolidated statements of cash flows classifications.

Use of estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates.

Concentration of credit risk: Aside from the Company's investments, financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash deposits at financial institutions. At various times during the year, the Company exceeds the federally insured limits. The Company places cash deposits only with high credit quality

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)
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institutions which OFS Advisor believes will mitigate the risk of loss due to credit risk. If borrowers completely fail to perform according to the terms of the contracts, the amount of loss due to credit risk from the Company's investments is equal to the sum of the Company's recorded investments and the unfunded commitments disclosed in **Note 6**.

Cash and cash equivalents: The Company's cash and cash equivalent balances are maintained with a member bank of the FDIC, and at times, such balances exceed the FDIC insurance limit. The Company does not believe its cash and cash equivalent balances are exposed to any significant credit risk. Cash and cash equivalent balances are held in US Bank Trust Company, National Association and Citibank N.A. money market deposit accounts. In addition, the Company's use of cash and cash equivalents held by OFSCC-FS is limited by the terms and conditions of the BNP Facility, including but not limited to, the payment of interest expense and principal on the outstanding borrowings.

Note 3. Related Party Transactions

Investment Advisory and Management Agreement: OFS Advisor manages the day-to-day operations of, and provides investment advisory services to, the Company pursuant to the Investment Advisory Agreement. The continuation of the Investment Advisory Agreement was most recently approved by the Board on April 3, 2024. Under the terms of the Investment Advisory Agreement, which are in accordance with the 1940 Act and subject to the overall supervision of the Board, OFS Advisor is responsible for sourcing potential investments, conducting research and diligence on potential investments and equity sponsors, analyzing investment opportunities, structuring investments, and monitoring investments and portfolio companies on an ongoing basis.

OFS Advisor's services under the Investment Advisory Agreement are not exclusive to the Company and OFS Advisor is free to furnish similar services to other entities, including other funds affiliated with OFS Advisor, so long as its services to the Company are not impaired. OFS Advisor also serves as the investment adviser or sub-adviser to various clients, including HPCI and OCCI.

OFS Advisor receives fees for providing services to the Company, consisting of two components: a base management fee and an incentive fee. The base management fee is calculated at an annual rate of 1.75% and based on the average value of the Company's total assets (other than cash and cash equivalents but including assets purchased with borrowed amounts and assets owned by any consolidated entity) at the end of the two most recently completed calendar quarters, adjusted for any share issuances or repurchases during the quarter.

For the years ended December 31, 2024 and 2023, OFS Advisor agreed to reduce its base management fee attributable to all of the OFSCC-FS Assets to 0.25% per quarter (1.00% annualized) of the average value of the OFSCC-FS Assets (other than cash and cash equivalents but including assets purchased with borrowed amounts) at the end of the two most recently completed calendar quarters. OFS Advisor's base management fee reduction is renewable on an annual basis, and OFS Advisor is not entitled to recoup the amount of the base management fee reduced with respect to the OFSCC-FS Assets. OFS Advisor most recently renewed the agreement to reduce its base management fee for the 2024 calendar year on January 8, 2024.

The incentive fee has two parts. The first part of the incentive fee ("Income Incentive Fee") is calculated and payable quarterly in arrears based on the Company's pre-incentive fee net investment income for the immediately preceding calendar quarter. For this purpose, pre-incentive fee net investment income means interest income, dividend income and any other income (including any other fees such as commitment, origination and sourcing, structuring, diligence and consulting fees or other fees that the Company receives from portfolio companies, but excluding fees for providing managerial assistance) accrued during the calendar quarter, minus operating expenses for the quarter (including the base management fee, any expenses payable under the Administration Agreement and any interest expense and dividends paid on any outstanding preferred stock, but excluding the incentive fee). Pre-incentive fee net investment income includes, in the case of investments with a deferred interest or dividend feature (such as OID, debt instruments with PIK interest, equity investments with accruing or PIK dividend and zero coupon securities), accrued income that the Company has not yet received in cash.

Pre-incentive fee net investment income is expressed as a rate of return on the value of the Company's net assets (defined as total assets less indebtedness and before taking into account any incentive fees payable during the period) at the end of the immediately preceding calendar quarter and adjusted for any share issuances or repurchases during such quarter.

The incentive fee with respect to pre-incentive fee net income is 20.0% of the amount, if any, by which the pre-incentive fee net investment income for the immediately preceding calendar quarter exceeds a 2.0% hurdle rate (which is 8.0% annualized) and a "catch-up" provision measured as of the end of each calendar quarter. Under this provision, in any calendar quarter, OFS Advisor receives no incentive fee until the net investment income equals the hurdle rate of 2.0%, but then receives, as a "catch-up," 100.0% of the pre-incentive fee net investment income with respect to that portion of such pre-incentive fee net investment income, if any, that exceeds the hurdle rate but is less than 2.5%. The effect of this provision is that, if pre-incentive fee net

OFS Capital Corporation and Subsidiaries

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investment income exceeds 2.5% in any calendar quarter, OFS Advisor will receive 20.0% of the pre-incentive fee net investment income.

Pre-incentive fee net investment income does not include any realized capital gains, realized capital losses or unrealized capital appreciation or depreciation. Because of the structure of the incentive fee, it is possible that the Company may pay an incentive fee in a quarter in which the Company incurs a loss. For example, if the Company receives pre-incentive fee net investment income in excess of the quarterly minimum hurdle rate, the Company will pay the applicable incentive fee even if the Company has incurred a loss in that quarter due to realized and unrealized capital losses. The Company's net investment income used to calculate this part of the incentive fee is also included in the amount of the Company's gross assets used to calculate the base management fee. These calculations are appropriately prorated for any period of less than three months.

The second part of the incentive fee (the "Capital Gains Fee") is determined and payable in arrears as of the end of each calendar year (or upon termination of the Investment Advisory Agreement, as of the termination date), and equals 20.0% of the Company's aggregate realized capital gains, if any, on a cumulative basis from the date of the election to be a BDC through the end of each calendar year, computed net of all realized capital losses, losses on extinguishment of debt, income taxes from realized capital gains and unrealized capital depreciation through the end of such year, less all previous amounts paid in respect of the Capital Gains Fee. Since inception through **June 30, 2024** **September 30, 2024**, the Company has not made a Capital Gains Fee payment.

The Company accrues the Capital Gains Fee if, on a cumulative basis, the sum of net realized capital gains (losses) plus net unrealized appreciation (depreciation) is positive. An accrued Capital Gains Fee relating to net unrealized appreciation is deferred, and not due to OFS Advisor, until the close of the year in which such gains are realized. If, on a cumulative basis, the sum of net realized capital gains (losses) plus net unrealized appreciation (depreciation) decreases during a period, the Company will reverse any excess Capital Gains Fee previously accrued such that the amount of Capital Gains Fee accrued is no more than 20% of the sum of net realized capital gains (losses) plus net unrealized appreciation (depreciation). As of **June 30, 2024** **September 30, 2024** and December 31, 2023, there were no accrued Capital Gains Fees.

License Agreement: The Company entered into a license agreement with OFSAM under which OFSAM has granted the Company a non-exclusive, royalty-free license to use the name "OFS."

Administration Agreement: OFS Services furnishes the Company with office facilities and equipment, necessary software licenses and subscriptions, and clerical, bookkeeping and record keeping services at such facilities pursuant to the Administration Agreement. The continuation of the Administration Agreement was most recently approved by the Board on April 3, 2024. Under the Administration Agreement, OFS Services performs, or oversees the performance of, the Company's required administrative services, which include being responsible for the financial records that the Company is required to maintain and preparing reports to its stockholders and all other reports and materials required to be filed with the SEC or any other regulatory authority. In addition, OFS Services assists the Company in determining and publishing its net asset value, oversees the preparation and filing of its tax returns and the printing and dissemination of reports to its stockholders, and generally oversees the payment of the Company's expenses and the performance of administrative and professional services rendered to the Company by others. Under the Administration Agreement, OFS Services also provides managerial assistance on the Company's behalf to those portfolio companies that have accepted the Company's offer to provide such assistance. Payment under the Administration Agreement is equal to an amount based upon the Company's allocable portion of OFS Services's overhead in performing its obligations under the Administration Agreement, including, but not limited to, rent, information technology services and the Company's allocable portion of the cost of its officers, including its chief executive officer, chief financial officer, chief compliance officer, chief accounting officer and their respective staffs. To the extent that OFS Services outsources any of its functions, the Company will pay the fees associated with such functions on a direct basis without profit to OFS Services.

Equity Ownership: As of **June 30, 2024** **September 30, 2024**, affiliates of OFS Advisor held approximately 3,022,183 shares of common stock, which is approximately 22.6% of the Company's outstanding shares of common stock.

OFS Capital Corporation and Subsidiaries

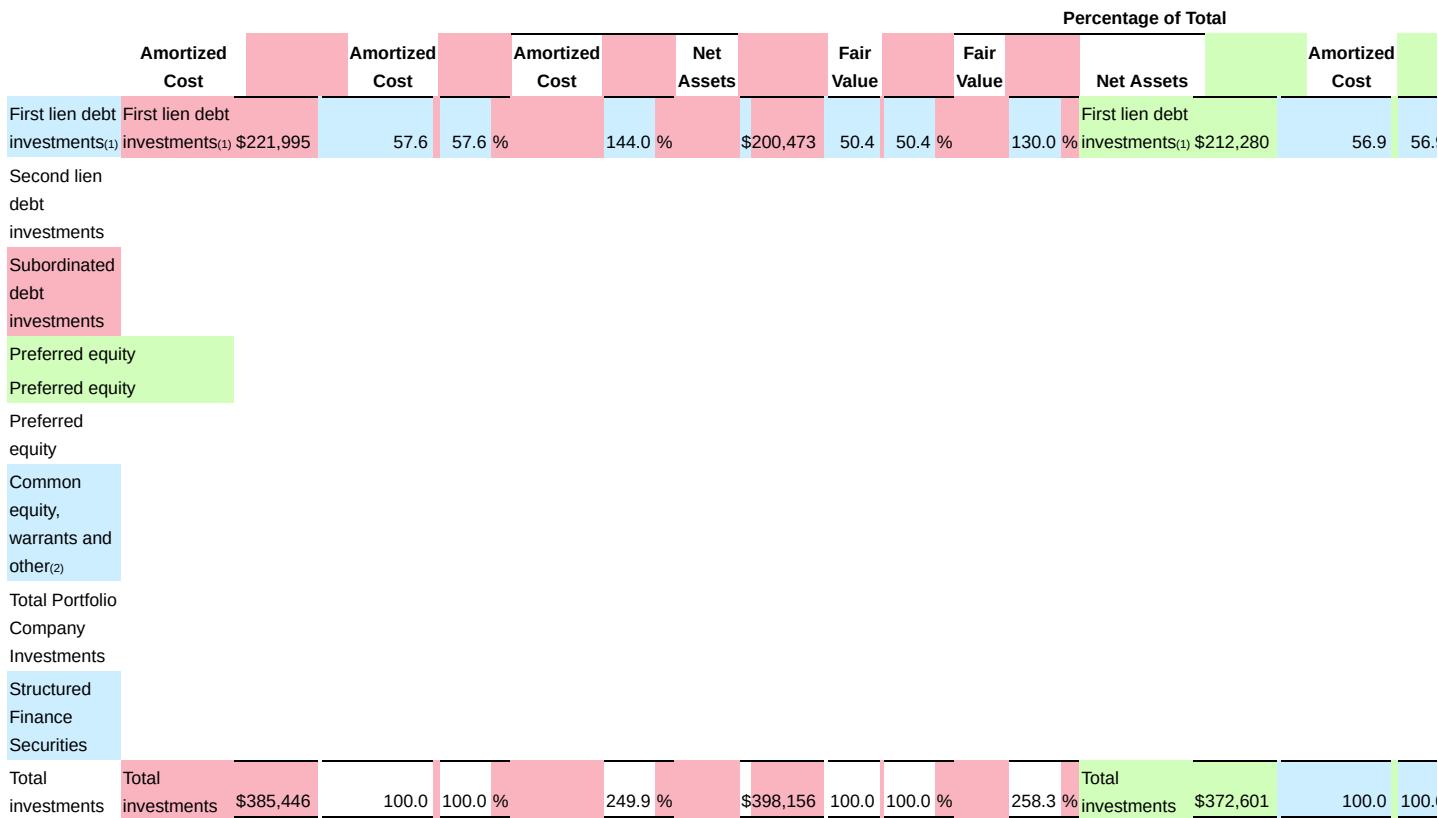
Notes to Consolidated Financial Statements (unaudited)
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Expenses recognized under agreements with OFS Advisor and OFS Services and distributions paid to affiliates for the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023 are presented below:

	Three Months Ended June 30,		Six Months Ended June 30,					
	Three Months Ended September 30,		Nine Months Ended September 30,					
	2024	2023	2024	2023	2023	2024	2023	2024
Base management fee								
Income Incentive Fee								
Administration fee								
Administration fee								
Administration fee								
Distributions paid to affiliates								

Note 4. Investments

As of **June 30, 2024** **September 30, 2024**, the Company had loans to **40** **42** portfolio companies, of which approximately **85%** **82%** were first lien debt investments and **15%** **18%** were second lien debt investments, at fair value. The Company also had equity investments in **16** **15** portfolio companies and **18** **17** investments in Structured Finance Securities. As of **June 30, 2024** **September 30, 2024**, the Company's investments consisted of the following:



(1) Includes unistranche investments (which are loans that combine both senior and subordinated debt, in a first lien position) with an amortized cost and fair value of **\$143,330** **\$119,680** and **\$132,469**, **\$109,405**, respectively.

(2) Includes the Company's investment in Pfanstiehl Holdings, Inc. See "Note 4—Portfolio Concentration" for additional information.

Geographic composition is determined by the location of the corporate headquarters of the portfolio company. All international investments are denominated in US dollars. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the Company's investment portfolio was domiciled as follows:

	June 30, 2024		December 31, 2023		September 30, 2024		December 31, 2023		
			Amortized Cost	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	United States	Canada ⁽¹⁾	Cayman Islands ⁽¹⁾⁽²⁾	Jersey ⁽¹⁾⁽²⁾	Total investments	Total investments	Total investments	Total investments	
United States									
Canada ⁽¹⁾									
Cayman Islands ⁽¹⁾⁽²⁾									
Jersey ⁽¹⁾⁽²⁾									
Total investments									
Total investments									
Total investments									

(1) Represents non-qualifying assets under Section 55(a) of the 1940 Act.

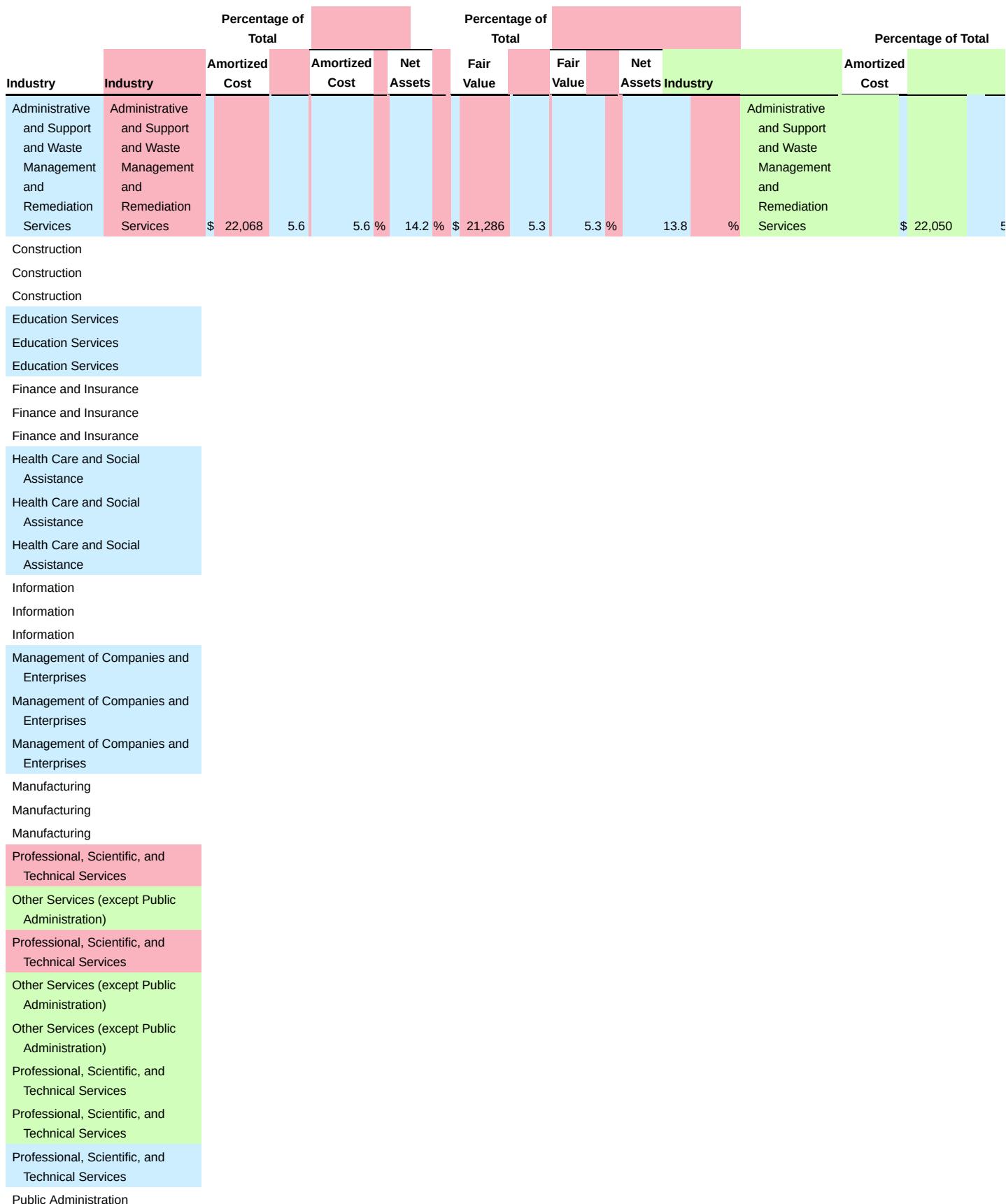
(2) Investments domiciled in the Cayman Islands and Jersey represent certain Structured Finance Securities held by the Company. These investments generally represent beneficial interests in underlying portfolios of debt investments in companies domiciled in the United States.

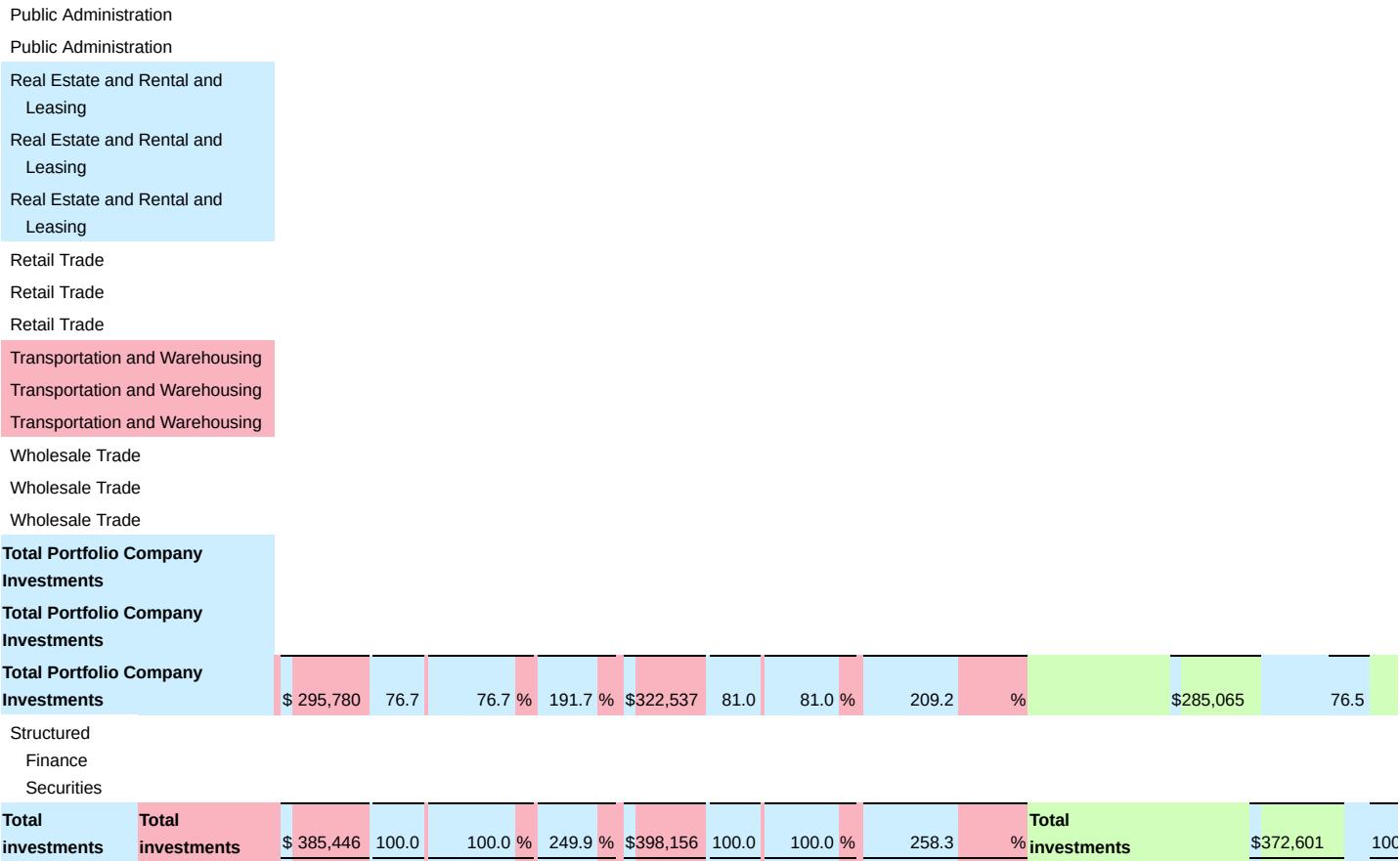
OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)

(Dollar amounts in thousands, except per share data)

As of **June 30, 2024** **September 30, 2024**, the industry composition of the Company's investment portfolio was as follows:





As of December 31, 2023, the Company had loans to 44 portfolio companies, of which 81% were first lien debt investments and 19% were second lien debt investments, at fair value. The Company also held equity investments in 15 portfolio companies and 21 investments in Structured Finance Securities. At December 31, 2023, the Company's investments consisted of the following:

	Amortized Cost	Percentage of Total		Percentage of Total	
		Amortized Cost	Net Assets	Fair Value	Fair Value
First lien debt investments ⁽¹⁾	\$ 220,941	54.7 %	136.4 %	\$ 202,792	48.3 %
Second lien debt investments	57,848	14.3	35.7	48,521	11.5
Subordinated debt investments	4,680	1.2	2.9	—	—
Preferred equity	11,403	2.8	7.0	13,240	3.2
Common equity, warrants and other ⁽²⁾	11,537	2.9	7.1	76,689	18.2
Total debt and equity investments	\$ 306,409	75.9 %	189.1 %	\$ 341,242	81.2 %
Structured Finance Securities	97,121	24.1	59.9	79,045	18.8
Total	\$ 403,530	100.0 %	249.0 %	\$ 420,287	100.0 %
					259.4 %

(1) Includes unitranche investments (which are loans that combine both senior and subordinated debt, in a first lien position) with an amortized cost and fair value of \$141,291 and \$131,271, respectively.

(2) Includes the Company's investment in Pfanstiehl Holdings, Inc. See "Note 4—Portfolio Concentration" for additional information.

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)

(Dollar amounts in thousands, except per share data)

As of December 31, 2023, the industry compositions of the Company's debt and equity investments were as follows:

Industry	Amortized Cost	Percentage of Total		Percentage of Total	
		Amortized Cost	Net Assets	Fair Value	Fair Value

Administrative and Support and Waste Management and Remediation Services	\$ 22,119	5.5 %	13.6 %	\$ 21,252	5.2 %	13.0 %
Construction	19,393	4.8	12.0	11,712	2.8	7.2
Education Services	7,523	1.9	4.7	7,122	1.7	4.4
Finance and Insurance	3,097	0.8	1.9	3,097	0.7	1.9
Health Care and Social Assistance	72,013	17.8	44.5	69,122	16.5	42.6
Information	26,763	6.6	16.5	16,586	4.0	10.4
Management of Companies and Enterprises	11,219	2.8	6.9	10,718	2.6	6.6
Manufacturing	29,402	7.3	18.1	97,924	23.2	60.5
Other Services (except Public Administration)	670	0.2	0.4	3,792	0.9	2.3
Professional, Scientific, and Technical Services	21,327	5.3	13.2	21,481	5.1	13.2
Public Administration	703	0.2	0.4	45	—	—
Real Estate and Rental and Leasing	12,072	3.0	7.5	11,861	2.8	7.3
Retail Trade	12,721	3.1	7.9	12,789	3.0	7.9
Transportation and Warehousing	2,495	0.7	1.5	2,257	0.5	1.6
Wholesale Trade	64,892	15.9	40.0	51,484	12.2	31.8
Total debt and equity investments	\$ 306,409	75.9 %	189.1 %	\$ 341,242	81.2 %	210.6 %
Structured Finance Securities	97,121	24.1	59.9	79,045	18.8	48.8
Total investments	\$ 403,530	100.0 %	249.0 %	\$ 420,287	100.0 %	259.4 %

Non-Accrual Loans: Management reviews, for placement on non-accrual status, all loans and CLO mezzanine debt investments that become past due on principal and interest, and/or when there is reasonable doubt that principal or interest will be collected. When a loan is placed on non-accrual status, accrued and unpaid cash interest is reversed. Additionally, Net Loan Fees are no longer recognized as of the date the loan is placed on non-accrual status. Depending upon management's judgment, interest payments subsequently received on non-accrual investments may be recognized as interest income or applied as a reduction to amortized cost. Interest accruals and Net Loan Fee amortization are resumed on non-accrual investments only when they are brought current with respect to principal and interest payments and, in the judgment of management, it is probable that the Company will collect all principal and interest from the investment. For the three months ended **June 30, 2024** **September 30, 2024**, no new loans were one loan with an amortized cost and fair value of \$4,491 and \$2,390, respectively, was placed on non-accrual status. The aggregate amortized cost and fair value of loans on non-accrual status as of **June 30, 2024** **September 30, 2024** was **\$41,276** **\$41,068** and **\$18,329**, **\$21,125**, respectively, and as of December 31, 2023 was \$34,568 and \$12,140, respectively.

Portfolio Concentration: The following table presents the Company's portfolio companies based on fair value that comprise greater than 10% of the Company's total net assets as of **June 30, 2024** **September 30, 2024**:

								Percentage of Total	
Portfolio Company	Investment Type	Industry	Amortized Cost	Fair Value	Fair Value	Net Assets			
Portfolio Company	Investment Type	Industry	Amortized Cost	Fair Value	Fair Value	Net Assets			
Pfanstiehl Holdings, Inc.	Pfanstiehl Holdings, Inc.	Common Equity	Manufacturing	\$ 217	\$ 70,831	17.8	17.8 %	45.9 %	Pfanstiehl Holdings, Inc.
All Star Auto Lights, Inc.									
Inergex Holdings, LLC									
Kreg LLC									
Tolemar Acquisition, Inc.									

As of **June 30, 2024** **September 30, 2024**, approximately 5.1% and 13.3% of the Company's total portfolio at fair value and net assets, respectively, were comprised of Structured Finance Securities managed by a single adviser.

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)

(Dollar amounts in thousands, except per share data)

Note 5. Fair Value of Financial Instruments

The Company's investments are carried at fair value and determined in accordance with ASC 820 and a documented valuation policy that is applied in a consistent manner. Pursuant to Rule 2a-5 of the 1940 Act ("Rule 2a-5"), the Board designated OFS Advisor as the valuation designee to perform fair value determinations relating to the Company's investments, and the Board maintains oversight of OFS Advisor in its capacity as valuation designee, as prescribed in Rule 2a-5.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are determined with models or other valuation techniques, valuation inputs, and assumptions that market participants would use in pricing an asset or liability. Valuation inputs are organized in a hierarchy that gives the highest priority to prices for identical assets or liabilities quoted in active markets (Level 1) and the lowest priority to fair values based on unobservable inputs (Level 3). The three levels of inputs in the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2: Inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability, and situations where there is little, if any, market activity for the asset or liability at the measurement date.

The inputs into the determination of fair value are based upon the best information under the circumstances and may require management to exercise significant judgment or estimation. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. The Company generally categorizes its investment portfolio into Level 3, and to a lesser extent Level 2, of the hierarchy.

The Company assesses the levels of the investments at each measurement date, and transfers between levels are recognized on the measurement date. The following table presents the Company's transfers of Level 2 and Level 3 debt investments for the three and six months ended **June 30, 2024** **September 30, 2024** and 2023:

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2023	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024
Transfers from Level 2 to Level 3				

Transfers from Level 3 to Level 2

Transfers between levels during the reporting periods were due to the availability of reliable Indicative Prices in those periods. The Company classifies loan investments as Level 2 when sufficient Indicative Prices are available, and the depth of the market is sufficient, in management's judgment, to transact at those prices in amounts approximating the Company's investment position at the measurement date.

Due to the inherent uncertainty of determining the fair value of Level 3 investments, the fair value of the investments may differ significantly from the values that would have been used had a ready market or observable inputs existed for such investments and may differ materially from the values that may ultimately be received or settled. Further, such investments are generally subject to legal and other restrictions, or otherwise are less liquid than publicly traded instruments. If the Company were required to liquidate a portfolio investment in a forced or liquidation sale, the Company might realize significantly less than the value at which such investment had previously been recorded and incur a realized capital loss. The Company's investments are subject to market risk as a result of economic and political developments, including impacts from elevated interest rate changes and elevated inflation rates, the ongoing war between Russia and Ukraine, the escalated armed conflict in the Middle East, 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. Market risk is directly impacted by the volatility and liquidity in the markets in which certain investments are traded and can affect the fair value of the Company's investments. The Company's investments are also subject to interest rate risk. Changes in interest rates, including any potential additional interest rate reductions approved by the U.S. Federal Reserve, may impact both our investment income, cost of funding and the valuation of our investment portfolio.

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)
(Dollar amounts in thousands, except per share data)

The following tables present the Company's investment portfolio measured at fair value on a recurring basis as of **June 30, 2024** **September 30, 2024** and December 31, 2023:

Security	Security	Level 1	Level 2	Level 3	Fair Value as of June 30, 2024	Security	Level 1	Level 2	Level 3	Fair Value as of September 30, 2024
Debt investments										
Equity investments										
Structured Finance Securities										

Security	Fair Value as of December 31, 2023				
	Level 1	Level 2	Level 3		
Debt investments	\$	—	\$ 16,053	\$ 235,260	\$ 251,313
Equity investments	—	—	—	89,929	89,929
Structured Finance Securities	—	—	—	79,045	79,045
	\$	—	\$ 16,053	\$ 404,234	\$ 420,287

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)

(Dollar amounts in thousands, except per share data)

The following tables provides the primary quantitative information about valuation techniques and the Company's unobservable inputs to its Level 3 fair value measurements as of **June 30, 2024** **September 30, 2024** and December 31, 2023. The Company may make changes to the valuation techniques, among techniques otherwise commonly utilized in accordance with its valuation policies, and/or the weighting of techniques used for particular investments based on changes in facts-and-circumstances and depending on the availability of, or changes in, information in order to produce the best estimate of fair value as of the measurement date. In addition to the techniques and unobservable inputs noted in the tables below and in accordance with OFS Advisor's valuation policy, OFS Advisor, as valuation designee, may also use other valuation techniques and methodologies when determining the fair value measurements of the Company's investment assets.

The tables are not intended to be all-inclusive and only present the most significant unobservable input(s) relevant to the valuation designee's determination of fair value.

		Fair Value as of June 30, 2024 September 30, 2024		Valuation technique	Unobservable inputs	Range (Weighted average)
Debt investments:						
First lien	\$ 151,302	119,785	Discounted cash flow	Discount rates	9.49% 8.55% - 25.87% (13.12% 17.91%) (12.41%)	
	17,474	15,942	Market approach	EBITDA multiples	3.00x - 9.50x (6.31x) 7.50x (5.75x)	
	7,162	9,552	Market approach	Revenue multiples	0.40x - 0.40x (0.40x)	
Second lien	23,314	22,107	Discounted cash flow	Discount rates	11.10% 13.07% - 16.49% (14.13% 19.50%) (15.45%)	
	6,896	7,248	Market approach	Revenue multiples	0.40x - 0.94x (0.74x) 0.93x (0.72x)	
	320					
Structured Finance Securities⁽¹⁾:						
Subordinated notes	45,410	57,437	Discounted cash flow	Discount rates	15.00% 14.00% - 49.50% (25.50% 33.50%) (23.08%)	
				Constant default rate	2.00% - 3.00% (2.10% (2.08%))	
				Recovery rate	65.00% - 65.00% (65.00%)	
Mezzanine debt	30,209	16,391	Discounted cash flow	Discount margin	6.25% 6.00% - 10.00% (8.06% 10.10%) (8.53%)	
				Constant default rate	2.00% - 3.00% (2.14% (2.25%))	
				Recovery rate	65.00% - 65.00% (65.00%)	
Equity investments:						
Preferred equity	9,754	10,009	Market approach	EBITDA multiples	6.64x 7.16x - 7.75x (7.74x) 8.50x (8.46x)	
Preferred equity	—	—	Market approach	Revenue multiples	0.40x - 0.40x - 0.40x	
Common equity, warrants and other	75,059	79,810	Market approach	EBITDA multiples	6.00x - 15.75x (13.80x) (13.89x)	
	842					
	\$ 367,742	338,281				

(1) The cash flows utilized in the discounted cash flow calculations assume: (i) liquidation of (a) certain distressed investments and (b) all investments currently in default held by the issuing CLO at their current market prices; and (ii) redeployment of proceeds at the issuing CLO's assumed reinvestment rate.

(2) Net asset value liquidation represents the fair value, or estimated expected residual value, of the investment.

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)

(Dollar amounts in thousands, except per share data)

		Fair Value at December 31,		Range	
		2023	Valuation technique	Unobservable inputs	(Weighted average)
Debt investments:					
First lien	\$	161,211	Discounted cash flow	Discount rates	9.55% - 24.40% (12.61%)
		8,136	Market approach	EBITDA multiples	3.14x - 6.00x (3.59x)
		6,295	Market approach	Revenue multiples	0.40x - 0.40x (0.40x)
		11,189	Market approach	Transaction Price	
Second lien		36,495	Discounted cash flow	Discount rates	10.45% - 21.68% (13.29%)
		8,084	Market approach	Revenue multiples	0.40x - 1.20x (0.67x)
		3,850	Market approach	Transaction Price	
Subordinated		—	Market approach	NAV liquidation ⁽²⁾	
Structured Finance Securities⁽¹⁾:					
Subordinated notes		44,965	Discounted cash flow	Discount rates	16.00% - 50.00% (28.64%)
				Constant default rate	2.00% - 2.00% (2.00%)
				Recovery rate	65.00% - 65.00% (65.00%)
Mezzanine debt		26,245	Discounted cash flow	Discount margin	7.15% - 10.60% (8.36%)
				Constant default rate	2.00% - 3.00% (2.04%)
				Recovery rate	65.00% - 65.00% (65.00%)
Subordinated notes		5,018	Market Approach	Transaction Price	
Mezzanine debt		2,817	Market Approach	Transaction Price	
Equity investments:					
Preferred equity		13,163	Market approach	EBITDA multiples	7.50x - 8.00x (7.60x)
Preferred equity		77	Market approach	Revenue multiples	0.13x - 3.25x (3.25x)
Common equity, warrants and other ⁽³⁾		70,927	Discounted cash flow	Discount rates	11.50% - 11.50% (11.50%)
			Market approach	EBITDA multiples	12.00x - 13.25x (12.63x)
Common equity, warrants and other		5,369	Market approach	EBITDA multiples	5.75x - 16.50x (9.57x)
Common equity, warrants and other		393	Market approach	Revenue multiples	0.40x - 0.70x (0.70x)
	\$	<u>404,234</u>			

(1) The cash flows utilized in the discounted cash flow calculations assume: (i) liquidation of (a) certain distressed investments and (b) all investments currently in default held by the issuing CLO at their current market prices; and (ii) redeployment of proceeds at the issuing CLO's assumed reinvestment rate.

(2) NAV liquidation represents the fair value, or estimated expected residual value, of the investment.

(3) Two valuation techniques were weighted to determinate the fair value.

Averages in the preceding two tables were weighted by the fair value of the related instruments.

Changes in market credit spreads or events impacting the credit quality of the underlying portfolio company (both of which could impact the discount rate), as well as changes in enterprise value and/or EBITDA multiples, among other things, could have a significant impact on fair values, with the fair value of a particular debt investment susceptible to change in inverse relation to the changes in the discount rate. Changes in enterprise value and/or EBITDA multiples, as well as changes in the discount rate, could have a significant impact on fair values, with the fair value of an equity investment susceptible to change in tandem with the changes in enterprise value and/or EBITDA multiples, and in inverse relation to changes in the discount rate. Due to the wide range of approaches in developing input assumptions to these valuation techniques and the degree of subjectivity used in making the estimates, comparisons between the Company's disclosures and those of other companies may not be meaningful.

OFS Capital Corporation and Subsidiaries

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(Dollar amounts in thousands, except per share data)

The following tables present changes in investments measured at fair value using Level 3 inputs for the **six** months ended **June 30, 2024** **September 30, 2024** and 2023:

Six Months Ended June 30, 2024

Nine Months Ended September 30, 2024

First Lien Debt Investments	First Lien Debt Investments	Second Lien Debt Investments	Subordinated Debt Investments	Preferred Equity	Common Equity, Warrants and Other	Structured Finance Securities	Total	First Lien Debt Investments	Second Lien Debt Investments	Subordinated Debt Investments	Preferred Equity	Common Equity, Warrants and Other
Level 3 assets, December 31, 2023												
Net realized gain (loss) on investments												
Net realized gain (loss) on investments												
Net realized gain (loss) on investments												
Net unrealized appreciation (depreciation) on investments												
Amortization of Net Loan Fees												
Accretion of interest income on Structured Finance Securities												
Capitalized PIK interest and dividends												
Amendment fees received												
Purchase and origination of portfolio investments												
Proceeds from principal payments on portfolio investments												
Sale and redemption of portfolio investments												
Conversion from debt investments to equity investments												
Proceeds from distributions received from portfolio investments												

Transfers from Level 3 to Level 2
Level 3 assets, June 30, 2024
Level 3 assets, June 30, 2024
Level 3 assets, June 30, 2024
Level 3 assets, September 30, 2024
Level 3 assets, September 30, 2024
Level 3 assets, September 30, 2024

OFS Capital Corporation and Subsidiaries

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	Six Months Ended June 30, 2023						Nine Months Ended September 30, 2023						
	First Lien Debt Investments	First Lien Debt Investments	Second Lien Debt Investments	Subordinated Debt Investments	Preferred Equity	Common Equity, Warrants and Other	Structured Finance Securities	Total	First Lien Debt Investments	Second Lien Debt Investments	Subordinated Debt Investments	Preferred Equity	Common Equity, Warrants and Other
Level 3 assets, December 31, 2022													
Net realized loss on investments													
Net unrealized appreciation (depreciation) on investments													
Amortization of Net Loan Fees													
Accretion of interest income on Structured Finance Securities													
Capitalized PIK interest and dividends													
Amendment fees received													
Purchase and origination of portfolio investments													

Proceeds from principal payments on portfolio investments
Sale and redemption of portfolio investments
Proceeds from distributions received from portfolio investments
Transfers from Level 3 to Level 2
Level 3 assets, June 30, 2023
Level 3 assets, June 30, 2023
Level 3 assets, June 30, 2023
Level 3 assets, September 30, 2023
Level 3 assets, September 30, 2023
Level 3 assets, September 30, 2023

The net unrealized appreciation (depreciation) reported in the Company's consolidated statements of operations for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, attributable to the Company's Level 3 assets still held at those respective period ends, was as follows:

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Debt investments				
Equity investments				
Structured Finance Securities				
Net unrealized depreciation on investments held				

OFS Capital Corporation and Subsidiaries

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(Dollar amounts in thousands, except per share data)

Other Financial Assets and Liabilities

GAAP requires disclosure of the fair value of financial instruments not reported at fair value on a recurring basis for which it is practical to estimate such values. The Company believes that the carrying amounts of its other financial instruments, such as cash, cash equivalents, receivables and payables approximate the fair value of such items due to the short maturity of such financial instruments. The Banc of California Credit Facility and BNP Facility are variable rate instruments and fair value is estimated to approximate carrying value.

The following table sets forth carrying values and fair values of the Company's debt as of **June 30, 2024** **September 30, 2024** and December 31, 2023:

Description	December 31,				Fair Value	Carrying Value ⁽¹⁾	Fair Value	Carrying Value ⁽¹⁾	Fair Value					
	June 30, 2024		2023											
	September 30, 2024	December 31, 2023												
Description	Description	Carrying Value ⁽¹⁾	Fair Value											

Banc of California Credit
Facility (2)

BNP Facility

Unsecured Notes Due February
2026

Unsecured Notes Due October
2028

SBA-guaranteed debentures

SBA debentures(3)

Total debt

(1) Carrying value is calculated as the outstanding principal amount less unamortized deferred debt issuance costs.

(2) As of September 30, 2024 and December 31, 2023, the Company had \$-0- and \$-0-, respectively, of outstanding debt under the Banc of California Credit Facility.

(3) On March 1, 2024, SBIC I LP fully repaid its outstanding SBA debentures totaling \$31,920 that were contractually due March 1, 2025, and, on April 17, 2024, surrendered its license to operate as a SBIC.

The following tables present the fair value measurements of the Company's debt and the level within the fair value hierarchy of the significant unobservable inputs utilized by the Company to determine such fair values as of June 30, 2024 September 30, 2024 and December 31, 2023:

Description	June 30, 2024			September 30, 2024						
	Description	Level 1(1)	Level 2	Level 3(2)	Total	Description	Level 1(1)	Level 2	Level 3(2)	Total
Banc of California Credit Facility										
BNP Facility										
Unsecured Notes Due February 2026										
Unsecured Notes Due October 2028										
Total debt, at fair value										
Total debt, at fair value										
Total debt, at fair value										

Description	December 31, 2023									
	Description	Level 1(1)	Level 2	Level 3(2)	Total	Description	Level 1(1)	Level 2	Level 3(2)	Total
Banc of California Credit Facility										
BNP Facility										
Unsecured Notes Due February 2026										
Unsecured Notes Due October 2028										
SBA-guaranteed debentures										
SBA debentures										
Total debt, at fair value										

(1) For Level 1 measurements, fair value is estimated by using the closing price of the security on the Nasdaq Global Select Market.

(2) For Level 3 measurements, fair value is estimated through discounting remaining payments using current market rates for similar instruments at the measurement date through the legal maturity date.

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)

(Dollar amounts in thousands, except per share data)

Note 6. Commitments and Contingencies

The following table shows the Company's outstanding commitments to fund investments to portfolio companies as of June 30, 2024 September 30, 2024:

Portfolio Company	Investment Type	Commitment
Boca Home Care Holdings, Inc.	First Lien Debt (Revolver)	\$ 1,290
Clevertech Bidco, LLC	First Lien Debt (Revolver)	294
Envocore Holding, LLC (F/K/A LRI Holding, LLC)	First Lien Debt (Revolver)	1,670
Flow Service Partners Management, LLC	First Lien Debt (Revolver)	509 636
Honor HN Buyer Inc.	First Lien Debt (Revolver)	664
Honor HN Buyer Inc.	First Lien Debt (Delayed Draw)	1,165
Kreg LLC	First Lien Debt (Revolver)	1,337
Medrina LLC	First Lien Debt (Revolver)	319
Medrina LLC	First Lien Debt (Delayed Draw)	447
Tolemar Acquisition, Inc.	First Lien Debt (Revolver)	1,235 669
		\$ 8,930 8,491

As of September 30, 2024, the Company had cash and cash equivalents of \$20,278 and unused commitments of \$25,000 under its Banc of California Credit Facility and \$80,900 under its BNP Facility, each of which is subject to a borrowing base and other covenants, to fund these outstanding commitments to portfolio companies.

Legal and regulatory proceedings: From time to time, the Company is involved in legal proceedings in the normal course of its business. Although the outcome of such litigation cannot be predicted with any certainty, management is of the opinion, based on the advice of legal counsel, that final disposition of any litigation should not have a material adverse effect on the financial position of the Company as of **June 30, 2024** **September 30, 2024**.

Additionally, the Company is subject to periodic inspection by regulators to assess compliance with applicable BDC regulations.

Indemnifications: In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties that provide for general indemnification. The Company's maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against the Company that have not yet occurred. The Company believes the risk of any material obligation under these indemnifications to be low.

Note 7. Borrowings

SBA Debentures: On March 1, 2024, SBIC I LP fully repaid its outstanding SBA debentures totaling \$31,920 that were contractually due March 1, 2025, and, on April 17, 2024, surrendered its license to operate as a SBIC.

For the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, the components of interest expense, cash paid for interest, effective interest rates and average outstanding balances for the SBA debentures were as follows:

	Three Months Ended June 30,			Six Months Ended June 30,			Three Months Ended September 30,			Nine Months Ended September 30,		
	2024			2024			2023			2024		
	Stated interest expense	Amortization of debt issuance costs	Total interest and debt financing costs	Cash paid for interest expense	Effective interest rate	Average outstanding balance	Effective interest rate	Interest rate	Interest rate	Effective interest rate	Interest rate	Interest rate
Stated interest expense					3.25 %		3.25 %	3.22 %	3.22 %	3.27 %	3.26 %	3.24 %
Amortization of debt issuance costs												
Total interest and debt financing costs												
Cash paid for interest expense												
Effective interest rate	Effective interest rate — %				3.25 %		3.25 %	3.22 %	3.22 %	3.27 %	3.26 %	3.24 %
Average outstanding balance												

BNP Facility: On June 20, 2019, OFSCC-FS entered into the BNP Facility, which provides for borrowings in an aggregate principal amount up to \$150,000, subject to a borrowing base and other covenants. The BNP Facility bears interest at a variable rate of SOFR plus a variable margin (2.65% floor). The reinvestment period of the BNP Facility ends on June 20, 2025, upon

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)
(Dollar amounts in thousands, except per share data)

which the ability to access the unused commitment of the facility terminates, and the facility is scheduled to mature on June 20, 2027.

The BNP Facility is collateralized by all the assets held by OFSCC-FS. OFSCC-FS and the Company have each made customary representations and warranties and are required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities.

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)

(Dollar amounts in thousands, except per share data)

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, OFSCC-FS had outstanding debt of \$69,100 and \$90,500, respectively. As of **June 30, 2024** **September 30, 2024**, the unused commitment under the BNP Facility was \$80,900.

For the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, the components of interest expense, cash paid for interest, average interest rates and average outstanding balances for the BNP Facility were as follows:

	Three Months Ended June 30,			Six Months Ended June 30,			Three Months Ended September 30,			Nine Months Ended September 30,					
	2024	2024	2023	2024	2024	2023	2024	2024	2023	2024	2024	2023	2024	2024	2023
Stated interest expense ⁽¹⁾															
Amortization of debt issuance costs															
Total interest and debt financing costs															
Cash paid for interest expense															
Effective interest rate	Effective interest rate	8.91 %		8.15 %		8.81 %		7.89 %	Effective interest rate	9.15 %	8.61 %	8.91 %	8.12 %		
Average outstanding balance															

(1) Stated interest expense includes unused fees.

Banc of California Credit Facility: On March 7, 2018, the Company entered into the Banc of California Credit Facility. On December 15, 2023, the Company amended the Banc of California Credit Facility to: (i) extend the maturity date from February 28, 2024 to February 28, 2026; (ii) increase the interest rate floor from 4.00% to 5.00%; and (iii) eliminate the 0.50% unused line fee and replace it with an annual commitment fee of 0.50% of the maximum principal amount of the facility. Fees and legal costs incurred in connection with the Banc of California Credit Facility are amortized over the expected life of the facility.

The maximum availability of the Banc of California Credit Facility is equal to 50% of the aggregate outstanding principal amount of eligible loans included in the borrowing base as specified in the BLA. The Banc of California Credit Facility is guaranteed by OFSCC-MB and secured by all of our and OFSCC-MB's current and future assets, excluding assets held by OFSCC-FS and SBIC I LP, and the Company's partnership interests in SBIC I LP. The Company has made customary representations and warranties and is required to comply with various covenants, reporting requirements and other customary requirements for similar credit facilities.

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the Company had \$-0- and \$-0-, respectively, of outstanding debt under the Banc of California Credit Facility. As of **June 30, 2024** **September 30, 2024**, the unused commitment under the Banc of California Credit Facility was \$25,000.

For the three and **six** **nine** months ended **June 30, 2024** **September 30, 2024** and 2023, the components of interest expense, cash paid for interest, average interest rates and average outstanding balances for the Banc of California Credit Facility were as follows:

	Three Months Ended June 30,			Six Months Ended June 30,			Three Months Ended September 30,			Nine Months Ended September 30,					
	2024	2024	2023	2024	2024	2023	2024	2024	2023	2024	2024	2023	2024	2024	2023
Stated interest expense															
Amortization of debt issuance costs															
Total interest and debt financing costs															
Cash paid for interest expense															
Effective interest rate ⁽¹⁾	Effective interest rate ⁽¹⁾	n/m					n/m	Effective interest rate ⁽¹⁾	n/m				n/m		n/m
Average outstanding balance															

(1) Not meaningful due to a minimal average outstanding balance relative to the size of the total commitment and the amount of unused or commitment fees incurred during the periods.

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)

(Dollar amounts in thousands, except per share data)

Unsecured Notes: As of **June 30, 2024** **September 30, 2024** and December 31, 2023, the Company had the following Unsecured Notes outstanding:

Unsecured Notes Due February 2026: On February 10, 2021 and March 18, 2021, the Company issued \$125,000 in aggregate principal of unsecured notes. The Unsecured Notes Due February 2026 bear interest at a rate of 4.75% per year payable semi-annually and mature on February 10, 2026. The Company may redeem the Unsecured Notes Due February 2026 in whole or in part at any time, or from time to time, at its option at par plus a "make-whole" premium, if applicable.

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)

(Dollar amounts in thousands, except per share data)

Unsecured Notes Due October 2028: On October 28, 2021 and November 1, 2021, the Company issued \$55,000 in aggregate principal of unsecured notes. The Unsecured Notes Due October 2028 bear interest at a rate of 4.95% per year payable semi-annually and mature on October 31, 2028. The Company may redeem the Unsecured Notes Due October 2028 in whole or in part at any time, or from time to time.

The Unsecured Notes are direct unsecured obligations and rank equal in right of payment with all current and future unsecured indebtedness of the Company. Because the Unsecured Notes are not secured by any of the Company's assets, they are effectively subordinated to all existing and future secured unsubordinated indebtedness (or any indebtedness that is initially unsecured as to which the Company subsequently grants a security interest), to the extent of the value of the assets securing such indebtedness, including, without limitation, borrowings under the Banc of California Credit Facility.

The indenture governing the Unsecured Notes contains certain covenants, including: (i) prohibiting additional borrowings, including through the issuance of additional debt securities, unless the Company's asset coverage, as defined in the 1940 Act, after giving effect to any exemptive relief granted to the Company by the SEC, equals at least 150% after such borrowings; and (ii) prohibiting (a) the declaration of any cash dividend or distribution upon any class of the Company's capital stock (except to the extent necessary for the Company to maintain its treatment as a RIC under Subchapter M of the Code), or (b) the purchase of any capital stock unless the Company's asset coverage, as defined in the 1940 Act, is at least 150% at the time of such capital transaction and after deducting the amount of such transaction.

For the three and **six** nine months ended **June 30, 2024** **September 30, 2024** and 2023, the components of interest expense, cash paid for interest, average interest rates and average outstanding balances for the Unsecured Notes were as follows:

	Three Months Ended June 30,			Six Months Ended June 30,			Three Months Ended September 30,			Nine Months Ended September 30,					
	2024			2024			2023			2024			2023		
	2024			2024			2023			2024			2023		
Stated interest expense															
Amortization of debt issuance costs															
Total interest and debt financing costs															
Cash paid for interest expense															
Effective interest rate	Effective interest rate	5.35 %		5.35 %			5.35 %			Effective interest rate	5.35 %	5.35 %	5.35 %	5.35 %	5.35 %
Average outstanding balance															

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)

(Dollar amounts in thousands, except per share data)

The following table shows the scheduled maturities of the principal balances of the Company's outstanding borrowings as of **June 30, 2024** **September 30, 2024**:

	Payments due by period					
	Total		Less than 1 year		1 to 3 years	
	Total	1 year	Total	1 year	Total	1 year
Banc of California Credit Facility ⁽¹⁾	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Unsecured Notes	180,000	—	125,000	—	55,000	—
BNP Facility	69,100	—	69,100	—	—	—
Total	\$ 249,100	\$ —	\$ 194,100	\$ —	\$ 55,000	\$ —

(1) As of **June 30, 2024** **September 30, 2024**, the Banc of California Credit Facility had an outstanding balance of \$-0- and is scheduled to mature on February 28, 2026.

For the three and **six** nine months ended **June 30, 2024** **September 30, 2024** and 2023, the average dollar borrowings and weighted average effective interest rate on the Company's outstanding borrowings were as follows:

	Three Months Ended June 30,			Six Months Ended June 30,				
	Three Months Ended September 30,			Nine Months Ended September 30,				
	2024	2024	2023	2024	2024	2023		
Average dollar borrowings								
Weighted average effective interest rate	Weighted average effective interest rate	6.45 %		5.99 %	6.36 %	5.89 %	Weighted average effective interest rate 6.46 %	
							6.07 % 6.39 % 5.95 %	

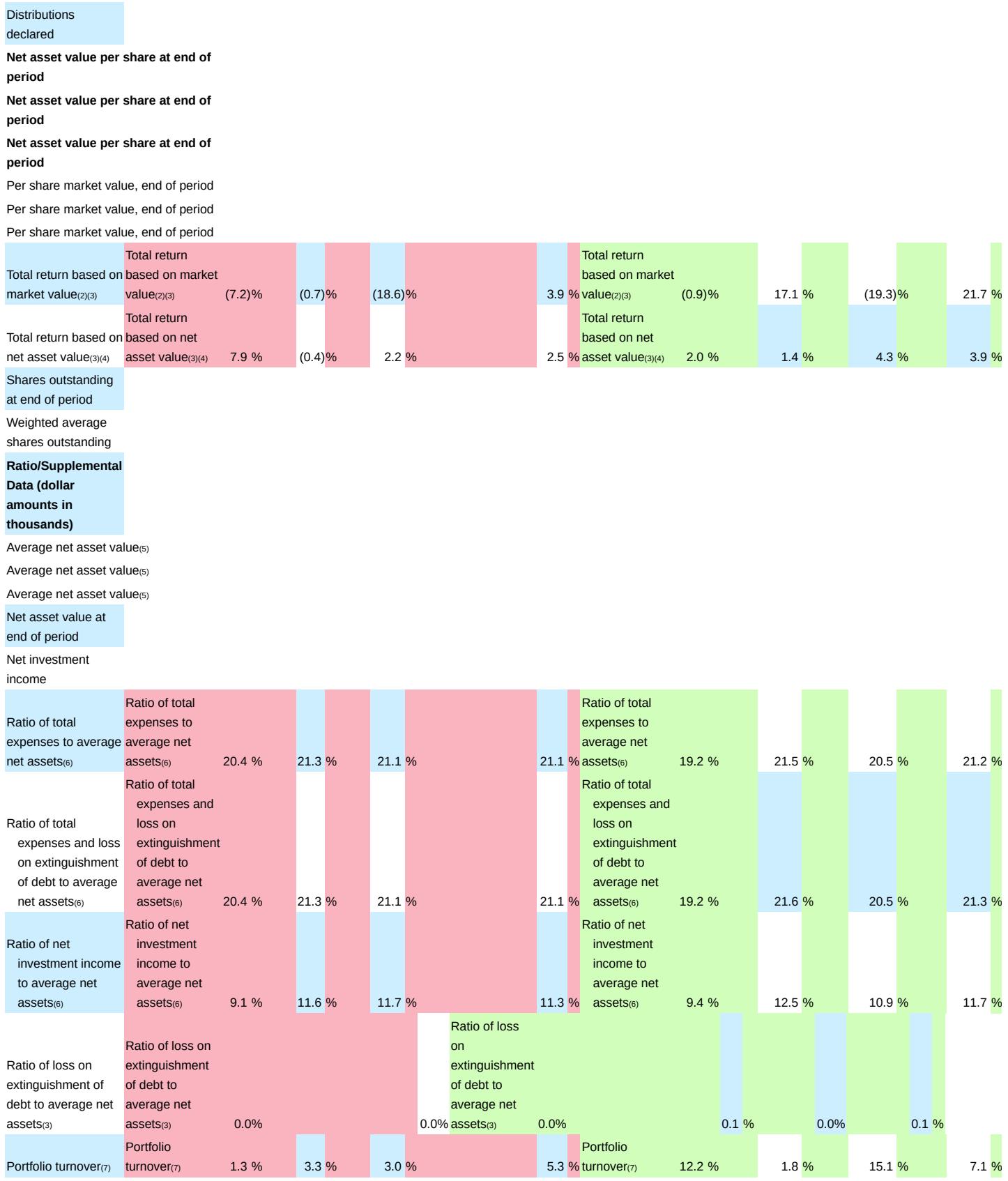
OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)
(Dollar amounts in thousands, except per share data)

Note 8. Financial Highlights

The following is a schedule of financial highlights for the three and **six nine** months ended **June 30, 2024**, **September 30, 2024** and 2023:

	Three Months Ended June 30,			Six Months Ended June 30,				
	Three Months Ended September 30,			Nine Months Ended September 30,				
	2024	2024	2023	2024	2024	2023		
Per share operating performance:								
Net asset value per share at beginning of period								
Net asset value per share at beginning of period								
Net asset value per share at beginning of period								
Net investment income ⁽¹⁾								
Net realized loss on investments, net of taxes ⁽¹⁾								
Net realized gain (loss) on investments, net of taxes ⁽¹⁾								
Net unrealized appreciation (depreciation) on investments, net of taxes ⁽¹⁾								
Total net income (loss) from operations								
Total net income (loss) from operations								
Total net income (loss) from operations								
Loss on extinguishment of debt ⁽¹⁾								
Total net income from operations								



(1) Calculated on the average share method.

- (2) Calculated as ending market value less beginning market value, adjusted for distributions reinvested at prices based on the Company's DRIP for the respective distributions.
- (3) Not annualized.
- (4) Calculated as ending net asset value less beginning net asset value, adjusted for distributions reinvested at prices based on the Company's DRIP for the respective distributions.
- (5) Based on the average of the net asset value at the beginning and end of the indicated period and, if applicable, the preceding calendar quarters.
- (6) Annualized.
- (7) Portfolio turnover rate is calculated using the lesser of period-to-date sales, portfolio investment distributions and principal payments or period-to-date purchases over the average of the invested assets at fair value.

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)
(Dollar amounts in thousands, except per share data)

Note 9. Capital Transactions

Distributions: The Company intends to make quarterly distributions to stockholders, that represent over time, substantially all of its net investment income. In addition, although the Company may distribute at least annually net realized capital gains, net of taxes if any, out of assets legally available for such distribution, the Company may also retain such capital gains for investment through a deemed distribution. If the Company makes a deemed distribution, stockholders will be treated for U.S. federal income tax purposes as if they had received an actual distribution of the capital gains, net of taxes.

The Company may be limited in its ability to make distributions due to the BDC asset coverage requirements of the 1940 Act. In addition, distributions from OFSCC-FS to the Company are restricted by the terms and conditions of the BNP Facility.

The following table summarizes distributions declared and paid for the **six** months ended **June 30, 2024** **September 30, 2024** and 2023:

Date Declared

Date Declared

Date Declared

Six Months Ended June 30, 2024

Six Months Ended June 30, 2024

Six Months Ended June 30, 2024

Nine Months Ended September 30, 2024

Nine Months Ended September 30, 2024

Nine Months Ended September 30, 2024

February 28, 2024

February 28, 2024

February 28, 2024	March 18, 2024	March 28, 2024	\$0.34	\$4,555	(1)	March 18, 2024	March 28, 2024	\$0.34	\$4,555	(1)	(1)
April 30, 2024	April 30, 2024	June 18, 2024	June 28, 2024	0.34	4,556	(1)	April 30, 2024	June 18, 2024	June 28, 2024	0.34	4,556
July 30, 2024	September 20, 2024	September 30, 2024	0.34	4,555	(1)						
			\$								
			\$								
			\$								

Six Months Ended June 30, 2023

Six Months Ended June 30, 2023

Six Months Ended June 30, 2023

**Nine Months Ended
September 30, 2023**

**Nine Months Ended
September 30, 2023**

**Nine Months Ended
September 30, 2023**

February 28, 2023

February 28, 2023

February 28, 2023	March 24, 2023	March 31, 2023	\$0.33	\$4,421	(1)	March 24, 2023	March 31, 2023	\$0.33	\$4,421	(1)	
May 2, 2023	May 2, 2023	June 23, 2023	June 30, 2023	0.33	4,422	(1)	May 2, 2023	June 23, 2023	June 30, 2023	0.33	4,422
August 1, 2023	September 22, 2023	September 29, 2023	0.34	4,555	(1)					(1)	
			\$								
			\$								
			\$								

(1) During the **six** nine months ended **June 30, 2024** **September 30, 2024** and 2023, the Company directed the DRIP plan administrator to purchase shares on the open market in order to satisfy the DRIP obligation to deliver shares of common stock. Accordingly, the Company purchased shares to satisfy the DRIP obligation as follows:

Number of Shares Purchased	Number of Shares Purchased	Average Price Paid Per Share	Total Amount Paid	Number of Shares Purchased	Average Price Paid Per Share	Total Amount Paid
Six Months Ended June 30, 2024						
Nine Months Ended September 30, 2024						
January 1, 2024 through March 31, 2024						
January 1, 2024 through March 31, 2024						
January 1, 2024 through March 31, 2024						
April 1, 2024 through June 30, 2024						
July 1, 2024 through September 30, 2024						
Six Months Ended June 30, 2023						
Six Months Ended June 30, 2023						
Six Months Ended June 30, 2023						
Nine Months Ended September 30, 2023						
Nine Months Ended September 30, 2023						
Nine Months Ended September 30, 2023						
January 1, 2023 through March 31, 2023						
January 1, 2023 through March 31, 2023						
January 1, 2023 through March 31, 2023						
April 1, 2023 through June 30, 2023						

July 1, 2023 through
September 30, 2023

Distributions in excess of the Company's current and accumulated ICTI would be treated first as a return of capital to the extent of the stockholder's adjusted tax basis, and any remaining distributions would be treated as a capital gain. The determination of the tax attributes of the Company's distributions is made annually as of the end of its fiscal year based upon its estimated ICTI for the full year and distributions paid for the full year. Each year, a statement on Form 1099-DIV identifying the tax character of distributions is mailed to the Company's stockholders.

Stock Repurchase Program:

The Company maintains a Stock Repurchase Program under which the Company may acquire up to \$10,000 of its outstanding common stock. On April 30, 2024, the Board extended the Stock Repurchase Program for an additional two-year period ending May 22, 2026, or until the approved dollar amount has been used to repurchase shares. The Stock Repurchase Program may be extended, modified or discontinued at any time for any reason.

During the ~~six~~ nine months ended ~~June 30, 2024~~ September 30, 2024 and 2023, no shares of common stock were repurchased under the Stock Repurchase Program.

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)

(Dollar amounts in thousands, except per share data)

Note 10. Consolidated Schedule of Investments In and Advances To Affiliates

Six Months Ended June 30, 2024											Nine Months Ended September 30, 2024										
Name of Portfolio Company		June 30, 2024, Fair Value										Net Realized Gain		Net Realized Gain							
Name of Portfolio Company	Affiliate Investments	Investment Type (1)	Net Gain	Realized Gain	Net change in unrealized appreciation/(depreciation)	Interest	Dividends	Fees	Total Income (2)	December 31, 2023, Fair Value	Gross Additions (3)	Gross Reductions (4)	Investment (5)	Type (1)	(Loss)	Net Change in Unrealized Appreciation/(Depreciation)	Interest				
Contract Datascan Holdings, Inc.	DRS Imaging Services, LLC																				
Contract Datascan Holdings, Inc.	DRS Imaging Services, LLC																				
Contract Datascan Holdings, Inc.	DRS Imaging Services, LLC																				
Common Equity (6)																					
DRS Imaging Services, LLC																					
DRS Imaging Services, LLC																					
DRS Imaging Services, LLC																					
Master Cutlery, LLC																					
Master Cutlery, LLC																					

Master Cutlery, LLC	
Preferred	
Equity	
(6)	
Common	
Equity	
(6)	
	(7,835)

Pfanstiehl	
Holdings, Inc	
Pfanstiehl	
Holdings, Inc	
Pfanstiehl	
Holdings, Inc	
TalentSmart	
Holdings, LLC	
TalentSmart	
Holdings, LLC	
TalentSmart	
Holdings, LLC	
TRS Services,	
LLC	
TRS Services,	
LLC	
TRS Services,	
LLC	
Common	
Equity	
(6)	
	1,379
	1,329

Total Affiliate Investments

Total Affiliate Investments

Total Affiliate Investments

- (1) Principal balance, interest rate and maturity of debt investments, and ownership detail for equity investments are presented in the consolidated schedule of investments. The Company's investments are generally classified as "restricted securities" as such term is defined under Regulation S-X Rule 6-03(f) or Securities Act Rule 144.
- (2) Represents the total amount of interest, fees or dividends included in income for the **six nine** months ended **June 30, 2024** **September 30, 2024**.
- (3) Gross additions include increases in cost basis of investments resulting from a new portfolio investment, PIK interest, fees and dividends, accretion of Net Loan Fees, and net increases in unrealized appreciation or decreases in net unrealized depreciation.
- (4) Gross reductions include decreases in the cost basis of investments resulting from principal repayments and sales, and net decreases in net unrealized appreciation or net increases in net unrealized depreciation.
- (5) Fair value was determined using significant unobservable inputs. See **Note 5** for further details.
- (6) Non-income producing.
- (7) Dividends recognized as income include PIK dividends contractually earned but not declared.

OFS Capital Corporation and Subsidiaries

Notes to Consolidated Financial Statements (unaudited)
(Dollar amounts in thousands, except per share data)

Note 11. Subsequent Events

On **July 30, 2024** October 29, 2024, the Board declared a distribution of \$0.34 per share for the **third fourth** quarter of 2024, payable on **September 30, 2024** December 31, 2024 to stockholders of record as of **September 20, 2024** December 20, 2024.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and the related notes thereto contained elsewhere in this Quarterly Report on Form 10-Q. For additional overview information on the Company, see "Item 1. Business" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Overview

Key performance metrics per common share are presented below:

Net asset value	June 30, 2024			March 31, 2024		
	September 30, 2024			June 30, 2024		
	Three Months Ended	Three Months Ended	Six Months Ended	Three Months Ended	Nine Months Ended	
	March 31, June 30, 2024		June 30, 2024		June 30, 2023	
Net investment income	September 30, 2024	June 30, 2024	September 30, 2024	September 30, 2023		
Net increase (decrease) in net assets resulting from operations						
Net increase in net assets resulting from operations						
Distributions paid						

Our NAV per common share **increased** decreased to \$11.29 at September 30, 2024 from \$11.51 at June 30, 2024 from \$11.08 at March 31, 2024, due to a net **gain** **loss** on investments of \$0.51 \$0.15 per common share **partially offset** by and our quarterly distribution of \$0.34 per common share **which exceeded** **exceeding** our quarterly net investment income of \$0.26 \$0.27 per common share.

For the quarter ended **June 30, 2024** September 30, 2024, total investment income decreased to \$11.2 million \$10.9 million from \$14.2 million \$11.2 million in the prior quarter, primarily due to a decrease of \$2.4 million \$0.2 million in **dividend** **interest** income. For the quarter ended **June 30, 2024** September 30, 2024, total interest income decreased to \$10.9 million \$10.6 million from \$11.4 million \$10.9 million in the prior quarter, primarily due to a smaller average investment portfolio **size** at cost. See "—Results of Operations" for additional information.

Our As of September 30, 2024, our total outstanding debt **decreased** was \$249.1 million and remained unchanged compared to \$249.1 million our total outstanding debt at June 30, 2024 from \$258.5 million at March 31, 2024, due to repayments of \$9.4 million on our BNP Facility. For the quarter ended **June 30, 2024** September 30, 2024, our weighted-average debt interest costs **increased** to 6.5% remained stable at 6.46% compared to 6.3% 6.45% for the quarter ended March 31, 2024, primarily due to the prior quarter **repayment** of our SBA debentures. June 30, 2024. As of **June 30, 2024** September 30, 2024, approximately 50% of our outstanding debt matures in 2027 and beyond, and 72% of our outstanding debt carries fixed interest rates and is unsecured.

For the quarter ended **June 30, 2024** September 30, 2024, we recognized a net **gain** **loss** on investments of \$6.9 million \$1.9 million, primarily due to net realized losses of \$11.1 million, partially offset by net unrealized appreciation of \$9.2 million. For the quarter ended September 30, 2024, our net realized loss of \$11.1 million was primarily due to a \$7.8 million loss upon the write-off of our debt and equity investments in Master Cutlery, LLC, which had no impact on our NAV during the quarter as the loss had been substantially recognized in prior fiscal periods. For the quarter ended September 30, 2024, our net unrealized appreciation of \$9.2 million was primarily due to net unrealized appreciation of \$11.3 million, partially offset by net realized losses of \$4.3 million. For the quarter ended June 30, 2024, our net unrealized appreciation of \$11.3 million was primarily related to net unrealized appreciation of \$7.8 million \$2.8 million on our common equity in Pfanstiehl Holdings, Inc., and net as well as the reversal of previously recognized unrealized appreciation of \$2.1 million depreciation on our subordinated note investment in Apex Credit CLO 2020 Ltd. exited investments. As of **June 30, 2024** September 30, 2024, our loan portfolio had non-accrual loans with an aggregate fair value of \$18.3 million \$21.1 million, or 4.6% 5.4% of our total investments at fair value. See "—Portfolio Composition and Investment Activity" for additional information.

As of **June 30, 2024** September 30, 2024, our asset coverage ratio of 162% 161% exceeded the minimum asset coverage requirement of 150% under the 1940 Act, and we remained in compliance with all applicable covenants under our outstanding debt facilities. As of **June 30, 2024** September 30, 2024, we had unused commitments of \$25.0 million under our Banc of California Credit Facility, as well as \$80.9 million under our BNP Facility, each of which are subject to a borrowing base and other covenants. As of **June 30, 2024** September 30, 2024, we had a payable for investments purchased of \$14.7 million and unfunded commitments of \$8.9 million \$8.5 million to eight portfolio companies. See "—Liquidity and Capital Resources" for additional information.

On **July 30, 2024** October 29, 2024, the Board declared a distribution of \$0.34 per share for the **third fourth** quarter of 2024, payable on **September 30, 2024** December 31, 2024 to stockholders of record as of **September 20, 2024** December 20, 2024.

Critical Accounting Policies and Significant Estimates

Our critical accounting policies and estimates are those relating to revenue recognition and fair value estimates. Management has discussed the development and selection of each critical accounting policy and estimate with the Audit Committee of the Board. For descriptions of our revenue recognition and fair value policies, see "Item 8. Financial Statements—Statements

—Notes to Consolidated Financial Statements—Note 2" and "Item 7. Management's Discussion and Analysis of Financial

Condition and Results of Operations—Critical Accounting Policies and Significant Estimates" in our Annual Report on Form 10-K for the year ended December 31, 2023.

The following table illustrates the impact of our fair value measures if we selected the low or high end of the range of values for all investments as of **June 30, 2024** **September 30, 2024** (dollar amounts in thousands):

Investment Type	Investment Type	Fair Value at June 30, 2024		Range of Fair Value		Investment Type	Fair Value at September 30, 2024		Range of Fair Value	
		Low-end	High-end	Low-end	High-end		Low-end	High-end	Low-end	High-end
Debt investments:	Debt investments:			Debt investments:						
First lien										
Second lien										
Subordinated										
Structured Finance Securities:										
Structured Finance Securities:										
Structured Finance Securities:										
Subordinated notes										
Subordinated notes										
Subordinated notes										
Mezzanine debt										
Equity investments:										
Equity investments:										
Equity investments:										
Preferred equity										
Preferred equity										
Preferred equity										
Common equity, warrants and other										
		\$	=							

Related Party Transactions

We have entered into a number of business relationships with affiliated or related parties, including the following:

- The Investment Advisory Agreement with OFS Advisor to manage our operating and investment activities. Under the Investment Advisory Agreement, we have agreed to pay OFS Advisor an annual base management fee based on the average value of our total assets (other than cash and cash equivalents but including assets purchased with borrowed amounts and including assets owned by any consolidated entity) as well as an incentive fee based on our investment performance. See "Item 1—Financial Statements—**Note 3**".
- The Administration Agreement with OFS Services, an affiliate of OFS Advisor, to provide us with the office facilities and administrative services necessary to conduct our operations. See "Item 1—Financial Statements—**Note 3**".
- A license agreement with OFSAM, the parent company of OFS Advisor, under which OFSAM has agreed to grant us a non-exclusive, royalty-free license to use the name "OFS." Under this agreement, we have a right to use the "OFS" name for so long as OFS Advisor or one of its affiliates remains our investment adviser. Other than with respect to this limited license, we have no legal right to the "OFS" name. This license agreement will remain in effect for so long as the Investment Advisory Agreement with OFS Advisor is in effect.

OFS Advisor's services under the Investment Advisory Agreement are not exclusive to us and OFS Advisor is free to furnish similar services to other entities, including other funds advised or sub-advised by OFS Advisor, so long as its services to us are not impaired. OFS Advisor also serves as the investment adviser to other funds, including HPCI and OCCI. Additionally, OFS Advisor provides sub-advisory services to various funds, including: (i) CMFT Securities Investments, LLC, a wholly owned subsidiary of CIM Real Estate Finance Trust, Inc., a corporation that qualifies as a real estate investment trust; and (ii) CIM Real Assets & Credit Fund, an externally managed registered investment company that operates as an interval fund that invests primarily in a combination of real estate, credit and related investments.

For the years ended December 31, 2024 and 2023, OFS Advisor agreed to reduce its base management fee attributable to all of the OFSCC-FS Assets to 0.25% per quarter (1.00% annualized) of the average value of the OFSCC-FS Assets (other than cash and cash equivalents but including assets purchased with borrowed amounts) at the end of the two most recently completed calendar quarters. OFS Advisor's base management fee reduction is renewable on an annual basis and OFS Advisor is not entitled to recoup the amount of the base management fee reduced with respect to the OFSCC-FS Assets. OFS Advisor most recently renewed the agreement to reduce its base management fee for the 2024 calendar year on January 8, 2024.

The 1940 Act generally prohibits BDCs from making certain negotiated co-investments with certain affiliates absent an order from the SEC permitting the BDC to do so. On August 4, 2020, we received our existing Order, which superseded a previous order that we received on October 12, 2016, and provides us with greater flexibility to enter into co-investment transactions with certain Affiliated Funds in a manner consistent with our investment objective, positions, policies, strategies and restrictions as well as regulatory requirements and other pertinent factors, subject to compliance with certain conditions. We are generally permitted to co-invest with Affiliated Funds if, under the terms of the Order, a "required majority" (as defined in Section 57(o) of the 1940 Act) of our independent directors make certain conclusions in connection with a co-investment transaction, including

that: (1) the terms of the transaction, including the consideration to be paid, are reasonable and fair to us and our stockholders and do not involve overreaching in respect of us or our stockholders on the part of any person concerned; and (2) the transaction is consistent with the interests of our stockholders and is consistent with our investment objective and strategies.

In addition, we may file an application for an amendment to our existing Order to permit us to co-invest in our existing portfolio companies with certain affiliates that are private funds even if such other funds had not previously invested in such existing portfolio companies, subject to certain conditions. However, if filed, there is no guarantee that such application will be granted.

Conflicts may arise when we make an investment in conjunction with an investment being made by an Affiliated Account, or in a transaction where an Affiliated Account has already made an investment. Investment opportunities are, from time to time, appropriate for more than one account in the same, different or overlapping securities of a portfolio company's capital structure. Conflicts arise in determining the terms of investments, particularly where these accounts may invest in different types of securities in a single portfolio company. Potential conflicts arise when addressing, among other things, questions as to whether payment obligations and covenants should be enforced, modified or waived, or whether debt should be restructured, modified or refinanced. For a discussion of the risks associated with conflicts of interest, see "Item 1. Business—Regulation—Conflicts of Interest", "Item 1A. Risk Factors—Risks Related to OFS Advisor and its Affiliates—We have potential conflicts of interest related to the purchases and sales that OFS Advisor makes on our behalf and/or on behalf of Affiliated Accounts" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Portfolio Composition and Investment Activity

Portfolio Composition

As of **June 30, 2024** **September 30, 2024**, the fair value of our debt investment portfolio totaled **\$236.9 million** **\$231.1 million** in **40** **42** portfolio companies, of which approximately **85%** **82%** and **15%** **18%** were first lien and second lien debt investments, respectively. We also had equity investments in **16** **15** portfolio companies with a fair value of approximately **\$85.7 million** **\$89.8 million** and **18** **17** investments in Structured Finance Securities with a fair value of **\$75.6 million** **\$73.8 million**. As of **June 30, 2024** **September 30, 2024**, we had unfunded commitments of **\$8.9 million** **\$8.5 million** to eight portfolio companies. Set forth in the tables and charts below is selected information with respect to our portfolio as of **June 30, 2024** **September 30, 2024** and December 31, 2023.

The following table presents our investment portfolio by each wholly owned legal entity within the consolidated group as of June 30, 2024 and December 31, 2023 (dollar amounts in thousands):

			June 30, 2024		December 31, 2023	
			Amortized Cost	Fair Value	Amortized Cost	Fair Value
OFS Capital Corporation (Parent)			\$ 154,836	\$ 130,076	\$ 175,146	\$ 143,750
SBIC I LP			60,268	114,843	60,385	121,167
OFSCC-FS			167,030	149,744	165,109	152,582
OFSCC-MB			3,312	3,493	2,890	2,788
Total investments			\$ 385,446	\$ 398,156	\$ 403,530	\$ 420,287

The following table presents our ten largest investments by portfolio company based on fair value as of **June 30, 2024** **September 30, 2024** (dollar amounts in thousands):

Portfolio Company	Portfolio Company	Type	Amortized Cost	Fair Value	P	I
Pfanziehl Holdings, Inc.	Pfanziehl Holdings, Inc.	Equity	\$ 217	\$ 70,831		17.8
All Star Auto Lights, Inc.						
Inergex Holdings, LLC						
Kreg LLC						
Tolemar Acquisition, Inc.						
Honor HN						
Buyer Inc.						
One GI LLC						
Boca Home Care Holdings, Inc.						

Envocore Holding, LLC (F/K/A LRI Holding, LLC)						
Heritage Grocers Group, LLC. (F/K/A Tony's Fresh Market / Cardenas Markets)						
SSJA Bariatric Management LLC						
Envocore Holding, LLC (F/K/A LRI Holding, LLC)						
Total	Total		\$ 147,442		\$ 202,910	50.8

As of **June 30, 2024** **September 30, 2024**, our common equity investment in Pfanstiehl Holdings, Inc., a global manufacturer of high-purity pharmaceutical ingredients, accounted for **17.8%** **18.7%** and **45.9%** **48.7%** of our total portfolio at fair value and our total net assets, respectively. The value of this investment is substantially comprised of unrealized appreciation of **\$70.6 million** **\$73.4 million**.

As of **June 30, 2024** **September 30, 2024**, approximately 5.1% and 13.3% of our total portfolio at fair value and net assets, respectively, were comprised of Structured Finance Securities managed by a single adviser.

A deterioration or improvement in the operating performance of these portfolio investments, or other factors underlying the valuation of these investments, could have a material impact on our NAV.

Portfolio Yields

The following table presents weighted-average yield metrics for our portfolio as of **June 30, 2024** **September 30, 2024** and **March 31, 2024** **June 30, 2024**:

	For the Three Months Ended		
	June 30, 2024		
	September 30, 2024	June 30, 2024	March 31, 2024
Weighted-average performing income yield ⁽¹⁾ :			
Debt investments			
Debt investments			
Debt investments	13.7 %	12.9 %	13.3 %
Structured Finance Securities	12.4 %	13.0 %	14.2 %
Interest-bearing investments	13.4 %	13.0 %	13.6 %
Weighted-average realized yield ⁽²⁾ :			
Weighted-average realized yield ⁽²⁾ :			
Weighted-average realized yield ⁽²⁾ :			
Interest-bearing investments	11.8 %	11.6 %	11.8 %
Interest-bearing investments			
Interest-bearing investments			

(1) Performing income yield is calculated as (a) the actual amount earned on performing interest-bearing investments, including interest, prepayment fees and amortization of Net Loan Fees, divided by (b) the weighted-average of total performing interest-bearing investments at amortized cost.

(2) Realized yield is calculated as (a) the actual amount earned on interest-bearing investments, including interest, prepayment fees and amortization of Net Loan Fees, divided by (b) the weighted-average of total interest-bearing investments at amortized cost, in each case, including debt investments on non-accrual status and non-income producing Structured Finance Securities.

For the three months ended **June 30, 2024** **September 30, 2024**, the **weighted average** **weighted-average** performing income yield on interest-bearing investments increased to 13.6% from 13.4% during the prior quarter, primarily due to **non-recurring Net Loan Fee acceleration** the sale of certain Structured Finance Securities and the redeployment of proceeds into higher yielding CLO subordinated note securities, partially offset by the timing of the redeployment of proceeds from repayments related to the repayment of **portfolio** certain debt investments.

Weighted-average yields of our investments are not the same as a return on investment for our stockholders, but rather the gross investment income from our investment portfolio before the payment of all of our fees and expenses. There can be no assurance that the weighted average yields will remain at their current levels. As of September 30, 2024, 91% of our total loan portfolio, at fair value, consisted of variable rate investments, generally indexed to SOFR. See additional information under "Item 3. Quantitative and Qualitative Disclosures About Market Risk".

Portfolio Company Investments

The following table summarizes the composition of our Portfolio Company Investments as of June 30, 2024 September 30, 2024 and December 31, 2023 (dollar amounts in thousands):

	June 30, 2024		December 31, 2023		September 30, 2024		December 31, 2023		Amortized Cost		Fair Value		Amortized Cost		Fair Value		Amortized Cost		Fair Value	
	September 30, 2024		December 31, 2023		Amortized Cost		Fair Value		Amortized Cost		Fair Value		Amortized Cost		Fair Value		Amortized Cost		Fair Value	
		Amortized Cost	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value		
First lien debt investments ⁽¹⁾																				
Second lien debt investments																				
Subordinated debt investments																				
Preferred equity																				
Common equity, warrants and other																				
Total Portfolio Company Investments																				
Number of portfolio companies																				

(1) As of June 30, 2024 September 30, 2024 and December 31, 2023, first lien debt investments include unitranche investments (which are loans that combine both senior and subordinated debt, in a first lien position) with an amortized cost and fair value of \$143.3 million \$119.7 million and \$132.5 million \$109.4 million, respectively, and \$141.3 million and \$131.3 million, respectively.

As of June 30, 2024 September 30, 2024, approximately 100% of our loan portfolio and 59% of our total portfolio consisted of first lien and second lien loans, based on fair value. We believe the seniority of our debt investments in the borrowers' capital structures may provide greater downside protection against adverse economic changes, including those caused by the elevated interest and inflation rates, the ongoing war between Russia and Ukraine, the escalated armed conflict in the Middle East, 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.

As of June 30, 2024 September 30, 2024, the three largest industries of our Portfolio Company Investments by fair value, were: (1) Manufacturing (29.8% (33.4%); (2) Health Care and Social Assistance (20.6% (20.5%); and (3) Wholesale Trade (12.9% Professional, Scientific, and Technical Services (8.8%), totaling an aggregate of approximately 63.3% 62.7% of our Portfolio Company Investment portfolio. For a full summary of our investment portfolio by industry, see "Item 1—Financial Statements—Note 4."

Structured Finance Securities

The following table summarizes the composition of our Structured Finance Securities as of June 30, 2024 September 30, 2024 and December 31, 2023 (dollar amounts in thousands):

	June 30, 2024		December 31, 2023		September 30, 2024		December 31, 2023		Amortized Cost		Fair Value		Amortized Cost		Fair Value		Amortized Cost		Fair Value	
	June 30, 2024		2023		September 30, 2024		2023		Amortized Cost		Fair Value		Amortized Cost		Fair Value		Amortized Cost		Fair Value	
		Amortized Cost	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value		
Subordinated notes																				
Mezzanine debt																				
Total Structured Finance Securities																				
Total Structured Finance Securities																				
Total Structured Finance Securities																				
Number of Structured Finance Securities																				

As of June 30, 2024 September 30, 2024, the amortized cost and fair value of non-performing Structured Finance Securities was were \$3.5 5.7 million and \$1.7 million \$1.9 million, respectively. Non-performing Structured Finance Securities are securities that have not been optionally redeemed and have an effective yield of 0.0%, as remaining residual distributions are anticipated to be recognized as a return of capital.

During the three and six nine months ended June 30, 2024 September 30, 2024, we sold subordinated note securities Structured Finance Securities for aggregate net proceeds of \$1.4 million \$19.2 million and recognized a net realized loss of \$1.9 million \$3.5 million.

Investment Activity

The following is a summary of our investment activity for the three and six nine months ended June 30, 2024 September 30, 2024 (dollar amounts in thousands):

	Three Months Ended June 30, 2024	Six Months Ended June 30, 2024	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024
Investments in debt and equity securities				
Investments in Structured Finance Securities				
Total investment purchases and originations				
Proceeds from principal payments				
Proceeds from principal payments				
Proceeds from principal payments				
Proceeds from investments sold or redeemed				
Proceeds from distributions received from portfolio investments				
Total proceeds from principal payments, sales or redemptions, and distributions received from portfolio investments				

Non-Cash Investment Activity

During the **six** three months ended **June 30, 2024** **September 30, 2024**, we wrote off our preferred and common equity investments in Master Cutlery, LLC, resulting in a net realized loss of \$3.5 million. The net realized loss of \$3.5 million was fully recognized in prior fiscal periods and did not impact our NAV during the quarter.

During the **nine** months ended **September 30, 2024**, our first lien debt investment in GoTo Group underwent a restructuring whereby our first lien debt investment was exchanged at a price equal to 77% of par for new first lien debt investments in the company. We recognized a realized loss of \$0.7 million on the debt restructure corresponding to the amount forgiven upon the exchange.

During the **six** **nine** months ended **June 30, 2024** **September 30, 2024**, we restructured our first lien debt investments in Avison Young to, among other things, exchange our first lien debt investments for new first lien debt investments, preferred equity and common equity. The cost of the existing first lien debt investments was ascribed to the new investments received in the exchange, and no realized loss was recognized. We also invested an incremental \$0.8 million in new-issue first lien debt.

Risk Monitoring

We categorize debt investments into seven risk categories based on relevant information about the ability of borrowers to service their debt. For additional information regarding our risk categories, see "Item 1. Business—Portfolio Review/Risk Monitoring" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed on March 5, 2024. The following table shows the classification of our debt investments, excluding Structured Finance Securities, by credit risk rating as of **June 30, 2024** **September 30, 2024** and December 31, 2023 (dollar amounts in thousands):

Debt Investments as of										
		June 30, 2024			December 31, 2023					
		September 30, 2024			December 31, 2023					
Risk Category	Risk Category	Amortized Cost	Fair Value	% of Debt Investments, at Fair Value	Amortized Cost	Fair Value	% of Debt Investments, at Fair Value	Amortized Cost	Fair Value	% of Debt Investments, Risk Category
1 (Low Risk)	1 (Low Risk)	\$ —	\$ —	— %	\$ —	\$ —	— %	\$ —	\$ —	1 (Low % Risk)
2 (Below Average Risk)										
3 (Average)										
4 (Special Mention)										
5 (Substandard)										
6 (Doubtful)										
7 (Loss)										
		\$ 270,308	\$ 236,882	100.0	100.0 %	\$ 283,469	\$ 251,313	100.0	100.0 %	

Non-Accrual Loans

Management reviews, for placement on non-accrual status, all loans and CLO mezzanine debt investments that become past due on principal and interest, and/or when there is reasonable doubt that principal or interest will be collected. When a loan is placed on non-accrual status, accrued and unpaid cash interest is reversed. Additionally, Net Loan Fees are no longer recognized as of the date the loan is placed on non-accrual status. Depending upon management's judgment, interest payments subsequently received on non-accrual investments may be recognized as **interest** income or applied as a reduction to amortized cost. Interest accruals and Net Loan Fee amortization are resumed on non-accrual investments only when they are brought current with respect to principal and interest payments and, in the judgment of management, it is probable that the Company will collect all principal and interest from the investment. For the three months ended March 31, 2024, loans to one portfolio company with an aggregate amortized cost and fair value of

\$13.5 million and \$9.7 million, respectively, were placed on non-accrual status. For the three months ended June 30, 2024, we wrote-off our second lien debt investment in Astro One Acquisition Corporation which was on non-accrual status following a cash-out recovery payment of \$0.2 million, resulting in a net realized loss of \$2.4 million.

As of June 30, 2024 September 30, 2024

The following table shows the classification of our debt investments on non-accrual status (dollar amounts in thousands):

	Amortized Cost	Amortized Cost	Fair Value	Amortized Cost	Fair Value
First lien debt					
Second lien debt					
Subordinated debt					
Total					
Total					
Total					

For the three months ended June 30, 2024 September 30, 2024, no new loans were one first lien debt investment with an amortized cost and fair value of \$4.5 million and \$2.4 million, respectively, was placed on non-accrual status.

For the three months ended September 30, 2024, we wrote off our subordinated debt investment in Master Cutlery, LLC, which was previously on non-accrual status, following a partial-recovery payment of \$0.3 million, resulting in a net realized loss of \$4.4 million. The net realized loss was fully recognized in prior periods as an unrealized loss.

As of December 31, 2023

The following table shows the classification of our debt investments on non-accrual status (dollar amounts in thousands):

	December 31, 2023	
	Amortized Cost	Fair Value
First lien debt	\$ 18,772	\$ 8,136
Second lien debt	11,115	4,003
Subordinated debt	4,680	—
Total	\$ 34,567	\$ 12,139

Results of Operations

Our key financial measures are described in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Key Financial Measures" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed on March 5, 2024. The following is a discussion of the key financial measures that management employs in reviewing the performance of our operations.

We do not believe that our historical operating performance is necessarily indicative of our future results of operations. We are primarily focused on debt investments in middle-market and larger companies in the United States and, to a lesser extent, equity investments, including warrants and other minority equity securities, and Structured Finance Securities. This approach differs from our historical investment concentration in that we now also focus on the debt of larger U.S. companies and Structured Finance Securities. Moreover, as a BDC and a RIC, we are also subject to certain constraints on our operations, including, but not limited to, limitations imposed by the 1940 Act and the Code. For the reasons described above, the results of operations described below may not necessarily be indicative of the results we expect to report in future periods.

Net increase (decrease) in net assets resulting from operations can vary substantially from period to period for various reasons, including the recognition of realized gains and losses and unrealized appreciation and depreciation. As a result, annual comparisons of net increase (decrease) in net assets resulting from operations may not be meaningful.

The following analysis compares our quarterly results of operations to the preceding quarter, as well as our year-to-date results of operations to the corresponding period in the prior year. We believe a comparison of our current quarterly results to the preceding quarter is more meaningful and transparent than a comparison to the corresponding prior-year quarter as our results of operations are not influenced by seasonal factors the latter comparison is designed to elicit and highlight.

Comparison of the three months ended June 30, 2024 September 30, 2024 and March 31, 2024 June 30, 2024 and comparison of the six nine months ended June 30, 2024 September 30, 2024 and 2023

Consolidated operating results for the three months ended June 30, 2024 September 30, 2024 and March 31, 2024 June 30, 2024, and the six nine months ended June 30, 2024 September 30, 2024 and 2023 are as follows (in thousands):

	Three Months Ended	Three Months Ended	Six Months Ended		Three Months Ended	Nine Months Ended
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023	June 30, 2024	September 30, 2024
	September 30, 2024	June 30, 2024	September 30, 2024	September 30, 2023	June 30, 2023	September 30, 2023
Investment income						

Interest income:

Interest income:

Interest income:

Cash interest income
Cash interest income
Cash interest income
PIK interest income
Net Loan Fee amortization
Accretion of interest income on CLO subordinated notes
Other interest income
Total interest income
Dividend income:
Dividend income:
Dividend income:
Cash dividends
Cash dividends
Cash dividends
Preferred equity PIK dividends
Total dividend income
Fee income:
Syndication fees
Syndication fees
Syndication fees
Prepayment and other fees
Total fee income
Total investment income
Total expenses
Net investment income
Net gain (loss) on investments
Loss on extinguishment of debt
Net increase (decrease) in net assets resulting from operations
Net increase in net assets resulting from operations

Investment Income

Comparison of the three months ended **June 30, 2024** **September 30, 2024** and **March 31, 2024** **June 30, 2024**

For the three months ended **June 30, 2024** **September 30, 2024**, total investment income decreased to **\$11.2 million** **\$10.9 million** from **\$14.2 million** **\$11.2 million** in the prior quarter, primarily due to **decreases** a decrease in total dividend income of **\$2.4 million** and interest income of **\$0.5 million**, respectively, **\$0.2 million**.

Interest income decreased **\$0.5 million** **\$0.2 million** during the three months ended **June 30, 2024** **September 30, 2024** compared to the prior quarter, primarily due to an aggregate decrease of **\$0.6 million** **\$0.5 million** in contractual cash and PIK interest, and other interest income. The decrease partially offset by an increase in contractual accretion of interest income was primarily due to a smaller average investment portfolio size, at cost, as proceeds from portfolio sales and repayments were generally utilized to repay debt on our BNP Facility, CLO subordinated notes of **\$0.4 million**.

Net Loan Fee amortization increased **\$0.3 million** during **During** the three months ended **June 30, 2024** **September 30, 2024**, dividend and fee income remained stable compared to the prior quarter, primarily due to non-recurring OID acceleration related to portfolio repayments.

Dividend income decreased **\$2.4 million** during the three months ended **June 30, 2024** compared to the prior quarter, primarily due to non-recurring cash dividends received during the prior quarter.

Fee income is primarily comprised of unused fees, prepayment fees and syndication fees that generally result from periodic transactions rather than from holding portfolio investments, and are considered non-recurring. We receive syndication fees on investments where OFS Advisor sources, structures, and arranges the lending group. For the three months ended **June 30, 2024**, total fee income decreased from **\$0.1 million** to **\$31,000** compared to **\$129,000** for the prior quarter, primarily due to no syndication fees recognized during the current quarter.

Comparison of the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and **2023**

Total investment income for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** decreased **\$3.4 million** **\$7.1 million** compared to the corresponding period in the prior year, primarily due to a decrease in total interest income of **\$5.2 million** **\$8.9 million**, partially offset by an increase in total dividend income of **\$1.9 million** **\$1.8 million**.

Expenses

Operating expenses for the three months ended **June 30, 2024** **September 30, 2024** and **March 31, 2024** **June 30, 2024**, and the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and **2023** are presented below (in thousands):

	Three Months Ended	Three Months Ended	Six Months Ended		Three Months Ended	Nine Months Ended
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023	June 30, 2024	September 30, 2024
	September 30, 2024	June 30, 2024	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Interest expense						
Base management fee						
Income Incentive Fee						
Professional fees						
Professional fees						
Professional fees						
Administration fee						
Other expenses						
Total expenses						

Comparison of the three months ended **June 30, 2024** **September 30, 2024** and **March 31, 2024** **June 30, 2024**

Interest expense for the three months ended **June 30, 2024** **September 30, 2024** decreased **\$0.5 million** **\$0.1 million** compared to the prior quarter, primarily due to a decrease of **\$35.7 million** **\$6.1 million** in our average outstanding debt balances compared to the prior quarter. During the three months ended June 30, 2024, we repaid **\$9.4 million** of the outstanding amount under the BNP Facility.

Incentive fees Other expenses for the three months ended **June 30, 2024** **September 30, 2024** decreased **\$0.5 million** **\$0.2 million** compared to the prior quarter, primarily due to a decrease an excise tax refund accrual of **\$3.1 million** in total investment income outpacing a **\$0.9 million** decrease in total expenses. **\$0.1 million** upon finalizing the prior year tax return, as well as the prior quarter including the write-off of **\$0.1 million** of deferred offering costs upon our new shelf registration statement being deemed effective.

Comparison of the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and **2023**

Interest expense for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** decreased **\$1.2 million** **\$2.1 million** compared to the corresponding period in the prior year, primarily due to the full repayment of our SBA debentures in March 2024 and a reduction in the outstanding amount under the BNP Facility.

Base management fees for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** decreased **\$0.8 million** **\$1.1 million** compared to the corresponding period in the prior year, primarily due to the decrease in our average total assets (excluding cash and cash equivalents) during the period.

Income Incentive Fees for the **nine** months ended **September 30, 2024** decreased **\$0.7 million** compared to the corresponding period in the prior year, primarily due to a decrease in our average size of the quarterly interest-bearing investment portfolio, at fair value, from **\$498.3 million** to **\$406.3 million**, cost, which reduced our net investment income during the current year.

Net realized and unrealized gain (loss) on investments

Net gain (loss) on investments, inclusive of realized and unrealized gains (losses), by investment type for the three months ended **June 30, 2024** **September 30, 2024** and **March 31, 2024** **June 30, 2024**, and the **six** **nine** months ended **June 30, 2024** **September 30, 2024** and **2023** were as follows (in thousands):

	Three Months Ended	Three Months Ended	Six Months Ended		Three Months Ended	Nine Months Ended
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023	June 30, 2024	September 30, 2024
	September 30, 2024	June 30, 2024	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
Debt investments						
Equity investments						
Structured Finance Securities						
Current/deferred income tax expense (or provision)						
Current/deferred income tax expense						
Total net gain (loss) on investments						

Net gain (loss) on investments for the three months ended **June 30, 2024** **September 30, 2024** and **March 31, 2024** **June 30, 2024**

Three months ended **September 30, 2024**

For the three months ended September 30, 2024, we recognized a net loss on investments of **\$1.9 million**, primarily comprised of aggregate net losses of **\$5.6 million** on our loans and Structured Finance Securities, and partially offset by net gains of **\$3.7 million** on our equity securities.

Three months ended **June 30, 2024**

For the three months ended June 30, 2024, we recognized a net gain on investments of **\$6.9 million**, primarily due to net unrealized appreciation of **\$11.3 million** **\$11.2 million**, net of taxes, partially offset by net realized losses of **\$4.3 million**. For the **quarter** three months ended June 30, 2024, our net unrealized appreciation of **\$11.3 million** **\$11.2 million**, net of taxes, was primarily related to net unrealized appreciation of **\$7.8 million** on our common equity in Pfanzstiehl Holdings, Inc., and net unrealized appreciation of **\$2.1 million** on our subordinated note investment in Apex Credit CLO 2020 Ltd.

Three Net gain (loss) on investments for the **nine** months ended **March 31, 2024** **September 30, 2024** and **2023**

Nine months ended **September 30, 2024**

For the **three** nine months ended **March 31, 2024** **September 30, 2024**, we recognized a net loss on investments of **\$14.6 million** **\$9.7 million**, primarily due to a net loss on our debt investments of **\$8.7 million**, of which **\$6.4 million** related to net unrealized depreciation on our current non-accrual debt investments.

During the nine months ended September 30, 2024, our common equity investment in Pfanzstiel Holdings, Inc. experienced net unrealized appreciation of **\$2.7 million**.

Nine months ended September 30, 2023

During the nine months ended September 30, 2023, our portfolio experienced net losses of **\$11.6 million**, primarily due to net unrealized depreciation of **\$15.4 million**. For the quarter ended March 31, 2024, our net unrealized depreciation of **\$15.4 million** was primarily related to net unrealized depreciation of **\$7.9 million** **\$6.7 million** on our common equity, in Pfanzstiel Holdings, Inc. warrants and net unrealized depreciation of **\$4.1 million** on our debt other investments in SSJA Bariatric Management LLC, which were placed on non-accrual status during the quarter.

Net loss on investments for the six months ended June 30, 2024 and 2023

Six months ended June 30, 2024

For the six months ended June 30, 2024, we recognized a net loss on investments of **\$7.8 million**, comprised of net unrealized depreciation of **\$4.0 million** and net realized losses of **\$3.5 million**. The net loss during the period was primarily comprised of net unrealized depreciation of **\$5.8 million** on our non-accrual debt investments offset, in part, by net unrealized appreciation of **\$4.0 million** **\$3.4 million** on our Structured Finance Securities.

Six months ended June 30, 2023 Securities, respectively.

During the **six** nine months ended **June 30, 2023** **September 30, 2023**, our portfolio experienced net losses of **\$8.2 million**, primarily related to unrealized depreciation of **\$6.7 million** on our Structured Finance Securities.

During the six months ended June 30, 2023, our common equity, warrant and other investments experienced net losses of **\$1.7 million**, primarily due to unrealized depreciation of **\$2.7 million** on our common equity investment in Pfanzstiel Holdings, Inc. experienced unrealized depreciation of **\$8.4 million**.

Non-GAAP Financial Measure – Adjusted Net Investment Income Loss on Extinguishment of Debt

Nine months ended September 30, 2023

During the **three** nine months ended June 30, 2024 and March 31, 2024 **September 30, 2023**, we redeemed SBA debentures of **\$19.0 million**, and, **six** months ended June 30, 2024 and 2023, as a result, we did not recognize **recognized** a Capital Gains Fee that would require loss on extinguishment of debt of **\$0.2 million** related to the disclosure acceleration of Adjusted Net Investment Income for these periods. For additional information unamortized deferred debt issuance costs on Adjusted NII, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Results of Operations—Non-GAAP Financial Measure—Adjusted Net Investment Income" in our Annual Report on Form 10-K for the year ended December 31, 2023, filed on March 5, 2024, redeemed debentures.

Liquidity and Capital Resources

As of **June 30, 2024** **September 30, 2024**, we held cash and cash equivalents of **\$5.6 million** **\$20.3 million**, which includes **\$2.7 million** included **\$8.0 million** held by OFSCC-FS. Distributions from OFSCC-FS to the Parent are restricted by the terms and conditions of the BNP Facility. During the **six** nine months ended **June 30, 2024** **September 30, 2024**, the Parent received **\$5.5 million** **\$8.8 million** in cash distributions from OFSCC-FS.

As of **June 30, 2024** **September 30, 2024**, we had an unused commitment of **\$25.0 million** under our Banc of California Credit Facility, as well as an unused commitment of **\$80.9 million** under our BNP Facility, both of which are subject to a borrowing base requirements and other covenants. As of **June 30, 2024** **September 30, 2024**, we had a payable for investments purchased of **\$14.7 million** and unfunded commitments of **\$8.9 million** **\$8.5 million** to eight portfolio companies.

As of **June 30, 2024** **September 30, 2024**, the aggregate amount outstanding of the senior securities issued by us was **\$249.1 million**, for which our asset coverage was **162%** **161%**, exceeding our minimum asset coverage requirement of 150% under the 1940 Act. The asset coverage ratio for a class of senior securities representing indebtedness is calculated as our consolidated total assets, less all liabilities and indebtedness not represented by senior securities, divided by total senior securities representing indebtedness.

Sources and Uses of Cash

We generate operating cash flows from net investment income and the net proceeds from liquidation of portfolio investments, and use cash in our operations in the net purchase of portfolio investments and payment of expenses. Significant variations may exist between net investment income and cash from net investment income, primarily due to the recognition of non-cash investment income, including certain Net Loan Fee amortization, PIK interest and PIK dividends, which generally will not be fully realized in cash until we exit the investment, as well as accrued interest income on Structured Finance Securities, which may not coincide with cash distributions from these investments. As discussed in "Item 1.—Financial Statements—Note 3," we pay OFS Advisor a quarterly incentive fee with respect to our pre-incentive fee net investment income, which may include investment income that we have not received in cash. In addition, we must distribute substantially all of our taxable income, which approximates, but will not always equal, the cash we generate from net investment income to maintain our RIC tax treatment. We also obtain cash to fund investments or general corporate activities from the issuance of securities and our revolving lines of credit. These principal sources and uses of cash and liquidity are presented below (in thousands):

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Cash from net investment income ⁽¹⁾				
Net (purchases and originations) / repayments and sales of portfolio investments ⁽¹⁾				
Net cash provided by operating activities				
Distributions paid to stockholders ⁽²⁾				
Distributions paid to stockholders ⁽²⁾				
Distributions paid to stockholders ⁽²⁾				
Net repayments under revolving lines of credit				
Rewards of SBA debentures				
Net cash used in financing activities				

Net cash used in financing activities

Net cash used in financing activities

Net decrease in cash and cash equivalents

Net increase (decrease) in cash and cash equivalents

(1) Cash from net investment income includes all other cash flows from operating activities reported in our statements of cash flows. Net purchases and originations/repayments and sales of portfolio investments includes the purchase and origination of portfolio investments, proceeds from principal payments on portfolio investments, proceeds from sale or redemption of portfolio investments, changes in receivable for investments sold, payable from investments purchased as reported in our statements of cash flows, as well as differences in proceeds from distributions received from Structured Finance Securities relative to accretion of interest income on Structured Finance Securities.

(2) The determination of the tax attributes of our distributions is made annually as of the end of our fiscal year based upon our ICTI for the full year and distributions paid for the full year. Therefore, a determination made on a quarterly basis may not be representative of the actual tax attributes of our distributions for a full year.

Cash from net investment income

For the **six** nine months ended **June 30, 2024** **September 30, 2024**, cash from net investment income of **\$6.2 million** **\$8.8 million** decreased **\$2.9 million** **\$3.8 million** compared to the **six** nine months ended **June 30, 2023** **September 30, 2023**, primarily due to a decrease of **\$4.1 million** **\$5.7 million** in cash interest and dividend income.

Net (purchases and originations) / repayments and sales of portfolio investments

During the **six** nine months ended **June 30, 2024** **September 30, 2024**, net sales and repayments of portfolio investments of **\$16.5 million** **\$33.1 million** were primarily due to **\$28.8 million** **\$79.2 million** of cash we received from principal repayments, sales on our portfolio investments and the proceeds from distributions received from Structured Finance Securities, net of accretion of interest income on Structured Finance Securities, partially offset by **\$46.1 million** of cash we used to purchase portfolio investments. During the nine months ended **September 30, 2023**, net sales and repayments of portfolio investments of **\$34.4 million** were primarily due to **\$69.1 million** of cash we received from amortized cost repayments, sales on our portfolio investments, net proceeds from distributions received from Structured Finance Securities and accretion of interest income on Structured Finance Securities, partially offset by **\$12.3 million** **\$34.7 million** of cash we used to purchase portfolio investments. During the six months ended **June 30, 2023**, net purchases and originations of portfolio investments of **\$0.3 million** were primarily due to **\$26.3 million** of cash we used to purchase portfolio investments, partially offset by **\$26.0 million** of cash we received from amortized cost repayments, sales on our portfolio investments and the net proceeds from distributions received from Structured Finance Securities and accretion of interest income on Structured Finance Securities. See "—Portfolio Composition and Investment Activity—Investment Activity."

Borrowings

SBA Debentures

SBIC I LP had an SBIC license that allowed it to obtain leverage by issuing SBA-guaranteed debentures. On March 1, 2024, SBIC I LP fully repaid its outstanding SBA debentures totaling \$31.9 million and, on April 17, 2024, surrendered its license to operate as a SBIC. As of **June 30, 2024** **September 30, 2024** and December 31, 2023, SBIC I LP had outstanding debentures of \$0- and \$31.9 million, respectively.

Banc of California Credit Facility

We are party to the BLA with Banc of California, as lender, to provide us with a senior secured revolving credit facility, or the Banc of California Credit Facility, which is available for general corporate purposes including investment funding. The maximum availability of the Banc of California Credit Facility is equal to 50% of the aggregate outstanding principal amount of eligible loans included in the borrowing base, which excludes subordinated loan investments (as defined in the BLA) and as otherwise specified in the BLA. The Banc of California Credit Facility is guaranteed by OFSCC-MB and secured by all of our and OFSCC-MB's current and future assets, excluding assets held by OFSCC-FS and SBIC I LP and the Company's partnership interests in SBIC I LP.

The BLA contains customary terms and conditions, including, without limitation, affirmative and negative covenants, such as information reporting requirements, a minimum tangible net asset value, a minimum quarterly net investment income after incentive fees, a debt/worth ratio and a net loss restriction. The BLA also contains customary events of default, including, without limitation, nonpayment, misrepresentation of representations and warranties in a material respect, breach of covenant, cross-default to other indebtedness, bankruptcy, change in investment advisor, and the occurrence of a material adverse change in our financial condition. As of **June 30, 2024** **September 30, 2024**, we were in compliance in all material respects with the applicable covenants under the Banc of California Credit Facility.

As of **June 30, 2024** **September 30, 2024**, we had \$0- outstanding and an unused commitment of \$25.0 million under the Banc of California Credit Facility, subject to a borrowing base and other covenants. The Banc of California Credit Facility bears interest at a variable Prime Rate plus a 0.25% margin, with a 5.00% floor, and as of **June 30, 2024** **September 30, 2024**, the effective interest rate on the Banc of California Credit Facility was **9.25%** **8.75%**.

On December 15, 2023, we amended the Banc of California Credit Facility to: (i) extend the maturity date from February 28, 2024 to February 28, 2026; (ii) increase the interest rate floor from 4.00% to 5.00%; and (iii) eliminate the 0.50% unused line fee and replace it with an annual commitment fee of 0.50% of the maximum principal amount of the facility.

Unsecured Notes

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, we had \$180.0 million in outstanding Unsecured Notes. The Unsecured Notes are direct unsecured obligations and rank equal in right of payment with all of our current and future unsecured indebtedness. Because the Unsecured Notes are not secured by any of our assets, they are effectively subordinated to all existing and future secured unsubordinated indebtedness (or any indebtedness that is initially unsecured as to which we subsequently grant a security interest), to the extent of the value of the assets securing such indebtedness, including, without limitation, borrowings under the Banc of California Credit Facility and BNP Facility.

In order to, among other things, reduce future cash interest payments, as well as future amounts due at maturity or upon redemption, we may, from time to time, purchase the Unsecured Notes for cash in open market purchases and/or privately negotiated transactions. We will evaluate any such transactions in light of then-existing market conditions, taking into account our current liquidity, prospects for future access to capital, contractual restrictions and other factors. The amounts involved in any such transactions, individually or in the aggregate, may be material. During the **six** nine months ended **June 30, 2024** **September 30, 2024**, no outstanding Unsecured Notes were repurchased.

BNP Facility

On June 20, 2019, OFSCC-FS entered into the BNP Facility, which provides for borrowings in an aggregate principal amount up to \$150.0 million, of which \$69.1 million was drawn as of **June 30, 2024** **September 30, 2024**. Borrowings under the BNP Facility bear interest based on SOFR for the relevant interest period, plus an applicable spread (subject to an effective floor of 2.65%). The reinvestment period (and the ability to access the undrawn facility commitment) of the BNP Facility ends on June 20, 2025, unless

extended. Borrowings under the BNP Facility are secured by substantially all of the assets held by OFSCC-FS. As of **June 30, 2024** **September 30, 2024**, we were in compliance in all material respects with the applicable covenants under the BNP Facility.

As of **June 30, 2024** **September 30, 2024**, the effective interest rate on the BNP Facility was **9.07%** **8.78%** and the unused commitment under the facility was \$80.9 million.

On a stand-alone basis, as of **June 30, 2024** **September 30, 2024** and December 31, 2023, OFSCC-FS held approximately **\$154.1 million** **\$154.5 million** and \$158.3 million in total assets, respectively, which accounted for approximately **38%** **37%** and 34% of our total consolidated assets, respectively.

Other Liquidity Matters

We expect to fund the growth of our investment portfolio utilizing our current borrowings, follow-on equity offerings, and issuances of senior securities or future borrowings to the extent permitted by the 1940 Act. We cannot assure stockholders that our plans to raise capital will be successful or available to us on favorable terms, if at all. In addition, we intend to distribute to our stockholders substantially all of our taxable income in order to satisfy the requirements applicable to RICs under Subchapter M of the Code. Consequently, we may not have the funds or the ability to fund new investments or make additional investments in our portfolio companies. The illiquidity of our portfolio investments may make it difficult for us to sell these investments when desired and, if we are required to sell these investments, we may realize significantly less than their recorded value and incur a capital loss.

As a BDC, we must not acquire any assets other than "qualifying assets" specified in the 1940 Act unless, at the time the acquisition is made, at least 70% of our assets, as defined by the 1940 Act, are qualifying assets (with certain limited exceptions). Qualifying assets include investments in "eligible portfolio companies." Under the relevant SEC rules, the term "eligible portfolio company" includes all private companies, companies whose securities are not listed on a national securities exchange, and certain public companies that have listed their securities on a national securities exchange and have a market capitalization of less than \$250 million, in each case organized in the United States. Conversely, we may invest up to 30% of our portfolio in opportunistic investments not otherwise eligible under BDC regulations. Specifically, as part of this 30% basket, we may consider investments in investment funds that are operating pursuant to certain exceptions to the 1940 Act and in advisers to similar investment funds, as well as in debt or equity of middle-market portfolio companies located outside of the United States and debt and equity of public companies that do not meet the definition of eligible portfolio companies because their market capitalization of publicly traded equity securities exceeds the levels provided for in the 1940 Act. We have, and may continue to, make opportunistic investments in Structured Finance Securities and other non-qualifying assets, consistent with our investment strategy. As of **June 30, 2024** **September 30, 2024**, approximately **80%** **81%** of our investments were qualifying assets.

On May 3, 2018, our Board, including a required majority (as such term is defined in Section 57(o) of the 1940 Act) thereof, approved the application of the modified asset coverage requirements set forth in Section 61(a)(2) of the 1940 Act. As a result, effective May 3, 2019, our minimum required asset coverage ratio decreased from 200% to 150%.

On May 22, 2018, the Board authorized the Stock Repurchase Program under which we could acquire up to \$10.0 million of our outstanding common stock through the two-year period ending **May 22, 2020**. On each of May 4, 2020 and May 3, 2022, our Board extended the Stock Repurchase Program for additional two-year periods. On April 30, 2024, our Board extended the Stock Repurchase Program for the two-year period ending on May 22, 2026. Under the extended Stock Repurchase Program, we are authorized to repurchase shares in open-market transactions, including through block purchases, depending on prevailing market conditions and other factors. We expect the Stock Repurchase Program to be in place through May 22, 2026, or until the approved dollar amount has been used to repurchase shares. The Stock Repurchase Program does not obligate us to acquire any specific number of shares, and all repurchases will be made in accordance with SEC Rule 10b-18, which sets certain restrictions on the method, timing, price and volume of stock repurchases. The Stock Repurchase Program may be extended, modified or discontinued at any time for any reason. We have provided our stockholders with notice of our intention to repurchase shares of our common stock in accordance with 1940 Act requirements. We retire all shares of common stock that we purchased in connection with the Stock Repurchase Program. During the **six** **nine** months ended **June 30, 2024** **September 30, 2024**, we did not make any repurchases of common stock on the open market under the Stock Repurchase Program. As of **June 30, 2024** **September 30, 2024**, the approximate dollar value of shares remaining that may be purchased under the program was \$9.6 million.

As a BDC, we are generally not permitted to issue and sell our common stock at a price below net asset value per share. We may, however, sell our common stock, or warrants, options or rights to acquire our common stock, at a price below the then-current net asset value per share of our common stock if the Board determines that such sale is in the best interests of us and our stockholders, and if our stockholders approve such sale. On June 26, 2024, our stockholders approved a proposal to authorize us, with approval of our Board, to sell or otherwise issue shares of our common stock (during a twelve-month period) at a price below our then-current net asset value per share in one or more offerings, subject to certain limitations (including that the cumulative number of shares sold pursuant to such authority does not exceed 25% of our then outstanding common stock immediately prior to each such sale). We have not sold any shares below net asset value pursuant to the proposal approved by our stockholders.

We continue to monitor the current banking environment. If the banks and financial institutions with whom we have credit facilities enter into receivership, undergo consolidation or become insolvent in the future, our liquidity may be reduced significantly. At various times, our cash balances at third-party financial institutions exceed the federally insured limit. Our cash and cash equivalent balances are retained in custodian accounts with U.S. Bank Trust Company, National Association and Citibank N.A., and we do not believe they are exposed to any significant credit risk.

Contractual Obligations and Off-Balance Sheet Arrangements

Contractual Obligations

As of **June 30, 2024** **September 30, 2024**, we had **\$5.6 million** **\$20.3 million** of cash and cash equivalents, as well unused commitments of \$25.0 million under our Banc of California Credit Facility and \$80.9 million under our BNP Facility, respectively, to meet our short-term contractual obligations, subject to contractual requirements and regulatory asset coverage requirements. As of **June 30, 2024** **September 30, 2024**, we had **\$8.9 million** **a payable for investments purchased of \$14.7 million and \$8.5 million in outstanding unfunded** commitments to fund portfolio investments that can be funded with our current cash or credit facilities.

Long-term contractual obligations, such as our BNP Facility that matures in 2027 and had \$69.1 million outstanding as of **June 30, 2024** **September 30, 2024**, **can** **could** be repaid by selling OFSCC-FS portfolio investments that have a fair value of **\$149.7 million** **\$144.4 million** as of **June 30, 2024** **September 30, 2024**. The OFSCC-FS portfolio includes **\$37.0 million** **\$38.2 million** of broadly syndicated loans in larger portfolio companies that generally can be sold over a relatively short period to generate cash. We cannot, however, be certain that this source of funds will be available and upon terms acceptable to us in sufficient amounts in the future. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we could realize significantly less than its current fair value and incur significant realized losses on our invested capital.

As of **June 30, 2024** **September 30, 2024**, we had \$180.0 million of outstanding Unsecured Notes, of which \$125.0 million matures on February 10, 2026. The Unsecured Notes Due February 2026 can be repaid by selling portfolio investments or by issuing additional senior securities to refinance the debt.

As of **June 30, 2024** **September 30, 2024**, approximately 50% of our outstanding debt matures in 2027 and beyond, 72% of our outstanding debt carries fixed interest rates and is unsecured.

Off-Balance Sheet Arrangements

We have entered into contracts with third parties under which we have material future commitments—the Investment Advisory Agreement, pursuant to which OFS Advisor has agreed to serve as our investment adviser, and the Administration Agreement, pursuant to which OFS Services has agreed to furnish us with the facilities and administrative services necessary to conduct our day-to-day operations.

We may become a party to financial instruments with off-balance sheet risk in the normal course of business to meet the financial needs of our portfolio companies. These instruments may include commitments to extend credit and involve, to varying degrees, elements of liquidity and credit risk in excess of the amount recognized on the balance sheet. There is no guarantee that these amounts will be funded to the borrowing party now or in the future. We continue to believe that we have sufficient levels of liquidity to support our existing portfolio companies and will meet these unfunded commitments by using our cash on hand or utilizing our available borrowings under the Banc of California Credit Facility and BNP Facility. In addition, we generally hold broadly syndicated loans in larger portfolio companies that can be sold over a relatively short period to generate cash. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we could realize significantly less than its current fair value and incur significant realized losses on our invested capital.

Distributions

We are taxed as a RIC under the Code. In order to maintain our tax treatment as a RIC, we are required to distribute annually to our stockholders at least 90% of our ICTI, as defined by the Code. Additionally, to avoid a 4% excise tax on undistributed earnings we are required to distribute each calendar year the sum of: (i) 98% of our ordinary income for such calendar year; (ii) 98.2% of our net capital gains for the one-year period ending October 31 of that calendar year; and (iii) any income recognized, but not distributed, in preceding years and on which we paid no federal income tax. Maintenance of our RIC status requires adherence to certain source of income and asset diversification requirements. Generally, a RIC is entitled to deduct dividends it pays to its stockholders from its income to determine “taxable income”. Taxable income includes our taxable interest, dividend and fee income, and taxable net capital gains. Taxable income generally differs from net income for financial reporting purposes due to temporary and permanent differences in the recognition of income and expenses, and generally excludes net unrealized appreciation or depreciation, as gains or losses are not included in taxable income until they are realized. In addition, gains realized for financial reporting purposes may differ from gains included in taxable income as a result of our election to recognize gains using installment sale treatment, which generally results in the deferral of gains for tax purposes until notes or other amounts, including amounts held in escrow received as consideration from the sale of investments, are collected in cash. Taxable income includes non-cash income, such as changes in accrued and reinvested interest and dividends, which includes contractual PIK interest, and the amortization of discounts and fees. Cash collections of income resulting from contractual PIK interest and dividends or the amortization of discounts and fees generally occur upon the repayment of the loans or debt securities that include such items. Non-cash taxable income is reduced by non-cash expenses, such as realized losses and depreciation, and amortization expense.

Our Board maintains a variable dividend policy with the objective of distributing quarterly distributions in an amount not less than 90-100% of our taxable quarterly income or potential annual income for a particular year. In addition, during the year, we may pay a special dividend, such that we may distribute approximately all of our annual taxable income in the year it was earned, while maintaining the option to spill over our excess taxable income to a following year. We may choose to retain a portion of our taxable income in any year and pay the 4% U.S. federal excise tax on the retained amounts. Distributions in excess of our current and accumulated ICTI would be treated first as a return of capital to the extent of the stockholder's adjusted tax basis, and any remaining distributions would be treated as a capital gain. The determination of the tax attributes of our distributions is made annually as of the end of our fiscal year based upon our estimated ICTI for the full year and distributions paid for the full year. Each year, a statement on Form 1099-DIV identifying the source of the distribution is mailed to the Company's stockholders.

Recent Developments

On **July 30, 2024** **October 29, 2024**, our Board declared a distribution of \$0.34 per share for the **third** **fourth** quarter of 2024, payable on **September 30, 2024** **December 31, 2024** to stockholders of record as of **September 20, 2024** **December 20, 2024**.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are subject to financial market risks, including changes in interest rates and the valuations of our investment portfolio. The economic effects of the ongoing war between Russia and Ukraine, the escalated armed conflict in the Middle East, **elevated** **interest rate changes** and **elevated** **inflation rates**, ongoing supply chain and labor market disruptions, including those as a result of strikes, work stoppages or accidents, **uncertainties related to the 2024 U.S. presidential election**, instability in the U.S. and international banking systems and the risk of recession or a shutdown of U.S. government services has introduced significant volatility in the financial markets, and the effects of this volatility has impacted and could continue to impact our market risks. For additional information concerning risks and their potential impact on our business and our operating results, see “Part I—Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023, filed on March 5, 2024.

Investment Valuation Risk

Because there is not a readily available market value for most of the investments in our portfolio, we value a significant portion of our portfolio investments at fair value as determined in good faith by OFS Advisor, as valuation designee, based, in part, on independent third-party valuation firms that have been engaged at the direction of OFS Advisor to assist in the valuation of most portfolio investments without a readily available market quotation. Due to the inherent uncertainty of determining the fair value of investments that do not have a readily available market value, the fair value of our investments may fluctuate from period to period. Additionally, the fair value of our investments may differ significantly from the values that would have been used had a ready market existed for such investments and may differ materially from the values that we may ultimately realize. Further, some investments may be subject to legal and other restrictions on resale or otherwise are less liquid than publicly traded securities. If we were required to liquidate a portfolio investment in a forced or liquidation sale, we could realize significantly less than its current fair value. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Significant Estimates” as well as Notes 2 and 5 to our consolidated financial statements for the **six** **nine** months ended **June 30, 2024** **September 30, 2024** for more information relating to our investment valuation.

Interest Rate Risk

Changes in interest rates, including any potential interest rate reductions approved by the U.S. Federal Reserve, may affect both our cost of funding and the valuation of our investment portfolio. As of **June 30, 2024** **September 30, 2024**, **92%** **91%** of our loan portfolio, at fair value, bore interest at floating interest rates and **contain** **contained** **interest rate re-set** **reset** provisions that adjust applicable interest rates to current rates on a periodic basis. The 50 basis point reduction in the U.S. Federal Reserve target federal funds rate effected in September 2024 influences SOFR-based rates, to which our variable rate debt investments are generally indexed. This rate decrease will likely result in our variable rate debt investments generating less interest income, all-else equal. Changes in interest rates, including potential additional interest rate reductions approved by the U.S. Federal Reserve, may impact our investment income, cost of funding and the valuation of our investments. Additional reductions in interest rates would reduce our interest income, which

could in turn decrease our net investment income if such decreases in base interest rates are not offset by other factors, such as increases in the spread over such base interest rates or decreases in our operating expenses.

Our Unsecured Notes bear interest at fixed rates, which may result in net interest margin compression in a period of falling rates. As of **June 30, 2024** **September 30, 2024**, our Banc of California Credit Facility and BNP Facility **have had** floating interest rate provisions based on the applicable reference rates.

If interest rates are reduced by the U.S. Federal Reserve, the difference between the total interest income earned and the total interest expense incurred may be compressed, reducing our net income and potentially adversely affecting our operating results.

Interest rate sensitivity refers to the change in our earnings that may result from changes in the level of interest rates as of **June 30, 2024** **September 30, 2024**. As of **June 30, 2024** **September 30, 2024**, 1-month and 3-month SOFR were **5.34%** **4.85%** and **5.32%** **4.59%**, respectively. Assuming that the interim and unaudited consolidated balance sheet as of **June 30, 2024** **September 30, 2024** were to remain constant and that we took no actions to alter our existing interest rate sensitivity, the following tables show the annualized impact of hypothetical changes in interest rate indices (in thousands).

Basis point increase	Interest income	Interest expense	Net change
25	\$ 495	\$ (173)	\$ 322
50	1,142	(346)	796
75	1,788	(518)	1,270
100	2,435	(691)	1,744
125	3,082	(864)	2,218

Basis point decrease	Interest income	Interest expense	Net change
Basis point increase	Interest income	Interest expense	Net change
25			
50			
75			
100			
125			

Basis point decrease	Interest income	Interest expense	Net change
25	\$ (1,328)	\$ 494	\$ (834)
50	(1,876)	667	(1,209)
75	(2,424)	840	(1,584)
100	(2,971)	1,012	(1,959)
125	(3,519)	1,185	(2,334)

(1) A portion of the loan portfolio and our BNP Facility have yet to reset to comparatively lower current SOFR rates and a 25 basis point increase from current rates would still yield an interest rate lower than the current interest rate on these securities as of September 30, 2024.

Although we believe that the foregoing analysis is indicative of our net interest margin sensitivity to interest rate changes as of **June 30, 2024** **September 30, 2024**, it does not adjust for potential changes in the credit market, credit quality, size and composition of the assets in our portfolio, and other business developments, including borrowings under our credit facilities, that could affect net increase in net assets resulting from operations, or net income. Accordingly, no assurances can be given that actual results would not differ materially from the statement above.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of **June 30, 2024** **September 30, 2024**. The term "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the foregoing evaluation of our disclosure controls and procedures as of **June 30, 2024** **September 30, 2024**, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

During the quarter ended **June 30, 2024** **September 30, 2024**, there were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

We, OFS Advisor and OFS Services, are not currently subject to any material pending legal proceedings threatened against us as of **June 30, 2024** **September 30, 2024**. From time to time, we may be a party to certain legal proceedings incidental to the normal course of our business, including the enforcement of our rights under contracts with our portfolio companies. Furthermore, third parties may try to seek to impose liability on us in connection with the activities of our portfolio companies. While the outcome of these legal proceedings cannot be predicted with certainty, we do not expect that these proceedings will have a material effect upon our business, financial condition, results of operations or cash flows.

Item 1A. Risk Factors

Investing in our common stock may be speculative and involves a high degree of risk. In addition to the other information contained in this Quarterly Report on Form 10-Q, including our financial statements, and the related notes, schedules and exhibits, you should carefully consider the risk factors described in "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 (the "Annual Report on Form 10-K"), filed on March 5, 2024, which could materially affect our business, financial condition and/or operating results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially and adversely affect our business, financial condition and/or operating results.

There have been no material changes to the risk factors previously disclosed in our Annual Report on Form 10-K. The risks previously disclosed in the Annual Report on Form 10-K should be read together with the other information disclosed elsewhere in this Quarterly Report on Form 10-Q and our other reports filed with the SEC.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Sales of Unregistered Securities, Use of Proceeds

None.

Issuer Purchases of Equity Securities

On May 22, 2018, the Board authorized the Company to initiate the Stock Repurchase Program under which the Company could acquire up to \$10.0 million of its outstanding common stock through the two-year period **ending** **ended** May 22, 2020.

On each of May 4, 2020 and May 3, 2022, our Board extended the Stock Repurchase Program for additional two-year periods. On April 30, 2024, the Board extended the Stock Repurchase Program for the two-year period ending May 22, 2026. Under the extended Stock Repurchase Program, the Company is authorized to repurchase shares in open-market transactions, including through block purchases, depending on prevailing market conditions and other factors. The Company expects the Stock Repurchase Program to be in place through May 22, 2026, or until the approved dollar amount has been used to repurchase shares. The Stock Repurchase Program does not obligate the Company to acquire any specific number of shares, and all repurchases will be made in accordance with SEC Rule 10b-18, which sets certain restrictions on the method, timing, price and volume of stock repurchases. The Stock Repurchase Program may be extended, modified or discontinued at any time for any reason. The Company retires all shares of common stock that it purchases in connection with the Stock Repurchase Program. As of **June 30, 2024** **September 30, 2024**, the approximate dollar value of shares remaining that may be purchased under the program was \$9.6 million.

During the three months ended **June 30, 2024** **September 30, 2024**, the Company did not make any repurchases of its common stock on the open market under the Stock Repurchase Program.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the three months ended **June 30, 2024** **September 30, 2024**, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Price Range of Common Stock and Distributions

The Company's common stock is traded on the Nasdaq Global Select Market under the symbol "OFS". The following table lists the high and low **intraday** sale price for the Company's common stock, NAV per share, and the cash distributions per share that were declared on its common stock for each fiscal quarter during the last two most recently completed fiscal years and each full fiscal quarter of the current fiscal year. The last reported sale price for our common stock on the Nasdaq Global Select Market on **June 30, 2024** **September 30, 2024** was \$8.87 \$8.45 per share.

Period	NAV Per Share ⁽¹⁾	NAV Per Share ⁽¹⁾	Price Range	Premium (Discount) of High Sales Price to NAV	Premium (Discount) of Low Sales Price to NAV	Cash Distribution per Share	NAV Per Share ⁽¹⁾	Price Range	Premium (Discount) of High Sales Price to NAV	Premium (Discount) of Low Sales Price to NAV	Cash Distribution per Share
Fiscal 2024											
Fiscal 2024											
Fiscal 2024											
Second Quarter											

Second
Quarter

Third
Quarter

Third
Quarter

Third
Quarter

Second
Quarter

First
Quarter

**Fiscal
2023**

Fourth
Quarter

Fourth
Quarter

Fourth
Quarter

Third
Quarter

Second
Quarter

First
Quarter

**Fiscal
2022**

Fourth
Quarter

Fourth
Quarter

Fourth
Quarter

Third
Quarter

Second
Quarter

First
Quarter

(1) NAV per share is determined as of the last day in the relevant quarter and therefore may not reflect the NAV per share on the date of the high and low sales prices. The NAVs shown are based on outstanding shares at the end of each period.

Item 6. Exhibits

Listed below are the exhibits that are filed as part of this report (according to the number assigned to them in Item 601 of Regulation S-K):

Exhibit Number	Description	Incorporated by Reference		Filed with this 10-Q
		Form and SEC File No.	Filing Date with SEC	
3.1	Certificate of Incorporation of OFS Capital Corporation	Form N-2/A (333-166363)	March 18, 2011	
3.2	Certificate of Correction to Certificate of Incorporation of OFS Capital Corporation	Form 10-K	March 26, 2013	
3.3	Bylaws of OFS Capital Corporation	Form N-2/A (333-166363)	March 18, 2011	
14.1	Joint Code of Ethics of OFS Capital Corporation and OFS Advisor			*
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14 and 15d-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act			*
31.2	Certification of Chief Financial Officer pursuant to Rules 13a-14 and 15d-14(a) of the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act			*
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			†
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			†
101	Inline XBRL Document Set for the consolidated financial statements and accompanying notes in Part I, Item 1, "Financial Statements" of this Quarterly Report on Form 10-Q.			*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)			*

* Filed herewith

† Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: **August 1, 2024** October 31, 2024

OFS CAPITAL CORPORATION

By: /s/ Bilal Rashid

Name: Bilal Rashid

Title: Chief Executive Officer

By: /s/ Jeffrey A. Cerny

Name: Jeffrey A. Cerny

Title: Chief Financial Officer

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Exhibit 14.1

OFS Capital Management, LLC
OFS CLO Management, LLC
OFS CLO Management II, LLC
OFS CLO Management III, LLC
OFS Capital Corporation
OFS Credit Company, Inc.
Hancock Park Corporate Income, Inc.

Code of Ethics

Restated and Adopted on October 1, 2024

This Code of Ethics is the property of OFS Capital Management, LLC, OFS CLO Management, LLC, OFS CLO Management II, LLC, OFS CLO Management III, LLC and certain affiliated entities and must be returned to it if an individual's association with it terminates for any reason.

The content of this Code of Ethics is confidential and should not be revealed to third parties without the consent of the Chief Compliance Officer ("CCO"). The policies and procedures set forth herein supersede previous versions.

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I. **GENERAL (CODE OF ETHICS)**

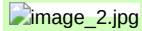
A. INTRODUCTION

The Code of Ethics ("Code") has been jointly adopted by OFS Capital Management, OFS CLO Management, LLC, OFS CLO Management II, LLC and OFS CLO Management III, LLC (collectively, "OFS Adviser" or the "Firm") and certain entities that are controlled by or under common control with OFS Adviser ("Affiliates"), as determined from time to time by Senior Management, and each of OFS Capital Corporation, Hancock Park Corporate Income, Inc., OFS Credit Company, Inc. and any investment company that OFS Adviser may sponsor and/or manage from time to time (each, an "OFS Fund" and collectively, "OFS Funds") in order to establish applicable policies, guidelines and procedures that promote ethical practices and conduct by all Supervised Persons of OFS Adviser, including, but not limited to, certain employees, interns, consultants, temporary employees, principals and others designated by the Compliance Department, and that prevent violations of applicable laws including the Investment Advisers Act of 1940, as amended ("Advisers Act") and the Investment Company Act of 1940, as amended ("Company Act").¹ "Supervised Person" is defined as any director, officer, member or employee (or other person occupying similar status or performing similar functions) of OFS Adviser or any other person who provides investment advice on behalf of OFS Adviser and is subject to the supervision and control of OFS Adviser.²

Unless instructed otherwise or approved by the Compliance Department, temporary employees and consultants will generally be deemed a Supervised Person if the employee's or consultant's work assignment or engagement exceeds ninety (90) calendar days. This Code is available to all Supervised Persons on OFS Adviser's compliance portal. All Supervised Persons must read it carefully and certify at least annually (and at such other times that a Compliance Officer may request) that they have read and understand, and agree to abide by the Code.

The Code is designed to address conflicts of interest that may arise in an employee's personal dealings as well as those on behalf of the Firm and its Advisory Clients.³ The following policies comprise the Code and address certain of these conflicts:

- the Personal Investment Policy;



¹The Code is adopted by OFS Adviser and each OFS Fund pursuant to and in accordance with the requirements of each of Rules 204A-1 and 206(4)-7 under the Advisers Act and Rules 17j-1 and 38a-1 under the Company Act.

²The Chief Compliance Officer or his/her designee may consider any director, officer, member, principal or employee, including, but not limited to, intern, consultants and temporary employees, of an Affiliate of OFS Adviser to be a Supervised Person of OFS Adviser if the Chief Compliance Officer determines that such person performs services for OFS Adviser, through any staffing or similar agreement, such that the person would constitute a Supervised Person if such person was a director, officer, member, employee, intern or temporary employee of OFS Adviser. The Compliance Department maintains a list of all such persons and whether each person is (1) a Supervised Person and (2) an Access Person and will notify each person of relevant requirements. The majority of OFS Adviser's personnel are employees of Orchard First Source Capital, Inc., an Affiliate of OFS Adviser.

³Advisory Client means any individual, group of individuals, partnership, trust, company or other investment fund entity for whom OFS Adviser acts as investment adviser. For example, any OFS Fund is an Advisory Client. For the avoidance of doubt, Advisory Clients include public and private investment funds, including comingled funds and single investor funds ("Funds") and managed accounts managed by OFS Adviser, but do not include the underlying individual investors in such Funds ("Investors"), although certain protections afforded to Advisory Clients pursuant to this Code do extend to Investors through Rule 206(4)-8 of the Advisers Act.

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distribute.

- the Inside Information Policy,
- the Gifts and Entertainment Policy,
- Political Activity Policy,
- Outside Affiliations Policy,
- Anti-Corruption Policy,
- OFS Acceptable Use Policy; and
- Personal Use of the Firm's Resources and Relationships Policy

OFS Adviser and each OFS Fund require that all Supervised Persons of OFS Adviser observe the applicable standards of care set forth in these policies and not seek to evade the provisions of the Code in any way, including through indirect acts by Related Persons or other associates.

All activities involving the OFS Funds are subject to the Company Act and the policies and procedures adopted by each OFS Fund in connection therewith as set forth in the Rule 38a-1 Compliance Manual ("38a-1 Manual") for each OFS Fund. The obligations set forth in the Code and the 38a-1 Manual are in addition to and not in lieu of the policies and procedures set forth in the Firm's Employee Handbook and any other Compliance Policies adopted by OFS Adviser in respect of the conduct of its business.

B. STATEMENT OF STANDARDS OF BUSINESS CONDUCT

As a fundamental mandate, OFS Adviser and each OFS Fund demand the highest standards of ethical conduct and care from all Supervised Persons and OFS Fund Directors. Supervised Persons and OFS Fund Directors must abide by this basic business standard and must not take inappropriate advantage of their position with the Firm or OFS Fund.

Each Supervised Person and OFS Fund Director is under a duty to exercise his or her authority and responsibility for the primary benefit of OFS Adviser's Advisory Clients, including the OFS Funds, and the Firm, and may not have outside interests or engage in activities that inappropriately conflict or appear to conflict with the interests of the Firm or its Advisory Clients, including the OFS Funds. Examples of such conflicts include:

- Engaging a service provider on behalf of Advisory Clients or the Firm in which you or your Related Person has a financial interest;
- Accepting extravagant or frequent gifts or entertainment from a current or potential service provider to the Firm or OFS Fund;
- Making charitable contributions at the request of a prospective Advisory Client when the Advisory Client will directly benefit from such contribution;
- Contributing to the election campaign of a government official or candidate who has, or will have if elected, the authority to appoint pension plan board members who are responsible for selecting investment advisers for such pension plan;
- Taking advantage of your position with the Firm or OFS Fund by using knowledge of

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- the Firm's actual or anticipated Advisory Client trades to benefit your own personal trading (e.g., frontrunning);
- Knowingly purchasing an interest in a company or property that you know the Firm is targeting for investment; and
- Assuming an outside position with a company that competes directly with the Firm.

The above list of examples is not exhaustive, and you, as a Supervised Person or OFS Fund Director, are responsible for assessing the unique facts and circumstances of your activities for potential conflicts and consulting with OFS Adviser's Legal and Compliance Departments **prior to** engaging in such activities.

Each Supervised Person and OFS Fund Director must avoid circumstances or conduct that adversely affect or that appear to adversely affect OFS Adviser or its Advisory Clients, including the OFS Funds. Every Supervised Person and OFS Fund Director must comply with applicable federal securities laws and must promptly report suspected violations of the Code to a Compliance Officer. OFS Adviser strictly prohibits retaliation against any individual reporting suspected violations, who, in good faith, seeks help or reports known or suspected violations, including Supervised Persons who assist in making a report or who cooperate in an investigation (see Section I.E. Reporting and Sanctions).

GENERAL GUIDELINES

- Supervised Persons and OFS Directors may not employ any device, scheme or artifice to defraud an OFS Fund or any Advisory Client, make any untrue statement of a material fact to an OFS Fund or another Advisory Client, or omit to state a material fact necessary in order to make the statements not misleading, engage in any act, practice or course of business that operates or would operate as a fraud or deceit upon an OFS Fund or another Advisory Client, engage in any manipulative practice with respect to an OFS Fund or another Advisory Client, or engage in any manipulative practice with respect to Securities, including price manipulation.
- Except with the prior approval of a Compliance Officer, in consultation with a Supervised Person's supervisor and/or Senior Management, a Supervised Person may not act as a director, officer, general partner, managing member, principal,

proprietor, consultant, agent, representative, trustee or employee of any unaffiliated public or private entity or business other than an OFS Fund, OFS Adviser, or an Affiliate of OFS Adviser. (See Section IV)

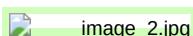
3. All Supervised Persons must disclose to OFS Adviser any interests they may have in any entity that is not affiliated with OFS Adviser or any OFS Fund *and* that has a known business relationship with OFS Adviser, an Affiliate of OFS Adviser or any OFS Fund.

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4. Except with the prior approval of a Compliance Officer, and as specifically permitted by law, Supervised Persons may not have a material direct or indirect interest (e.g., as principal, co-principal, agent, member, partner, or material shareholder or beneficiary) in any transaction that conflicts with the interests of OFS Adviser or its Advisory Clients.
 5. Access Persons and their Related Persons are required to preclear and obtain Compliance approval for Investments in publicly traded Reportable Securities, Initial Public Offerings ("IPO"), Initial Coin Offerings ("ICO") or Private Placements⁴ (including hedge funds and other private investment vehicles). (See Section II.C.2) This requirement also applies to Private Placements that are Advisory Clients of OFS Adviser, such as Hancock Park Corporate Income, Inc and other Reportable Funds.
 6. Supervised Persons are prohibited from trading in a Security in close proximity to an actual, planned or pending trade of such Security on behalf of an Advisory Client (i.e., front running).
 7. No Supervised Person, except in the course of the rightful exercise of his or her job responsibilities, shall reveal to any other person, information regarding any Advisory Client or any investment or Security transaction being considered, recommended or executed on behalf of any Advisory Client. (See Section III)
 8. No OFS Fund Director, except in the course of the rightful exercise of his or her board responsibilities, shall reveal to any other person information regarding any OFS Fund or any "Portfolio Company", defined as any legal entity in which an OFS Fund or another Advisory Client holds an investment regardless of whether or not the investment is a Security, or any investment or Security transaction being considered, recommended, or executed on behalf of any other Advisory Client. (See Section III)
 9. No Supervised Person, unless granted an exception by a Compliance Officer, shall make any recommendation concerning the purchase or sale of a Security by an Advisory Client in which the Firm or any Supervised Person holds an interest including without limitation:
 - Any direct or indirect ownership interest of 5% or greater in such Security or the issuer thereof.
 - Any contemplated transaction by such person in such Investment.
 - Any present or proposed relationship with respect to such Investment.
 10. Subject to certain exceptions permitted by applicable law and the prior approval of the



⁴ Private Placement is defined as an offering that is exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), pursuant to section 4(2) or section 4(5) or pursuant to rule 504, rule 505 or rule 506 thereunder.

Compliance Department, no Advisory Client may, directly or indirectly extend, maintain or arrange for the extension of credit or the renewal of an extension of credit, in the form of a personal loan to any officer or director of the Fund. Any Supervised Person or person serving as a director on the board of directors of any OFS Fund ("OFS Fund Director"), who becomes aware that their respective OFS Fund may be extending or arranging for the extension of credit to a director or officer, or person serving an equivalent function, should notify and consult with the Compliance Department to ensure that the proposed extension of credit complies with this Code and the applicable law.

- 11.** No Supervised Person shall engage in insider trading (as described in the "Inside Information Policy" in Section III) whether for his or her own benefit or for the benefit of others.
- 12.** No Supervised Person may communicate material, nonpublic information ("MNPI") concerning any Security, or its issuer, or Portfolio Company to anyone unless it is properly within his or her duties to do so. No OFS Fund Director may communicate MNPI to anyone, unless it is properly within their duties to do so, concerning any Security of an issuer in which the OFS Fund Director knows, or should have known, in the course of his or her duties as a director, that the OFS Fund has a current investment, or with respect to which an investment or Security is Being Considered for Purchase or Sale by any OFS Fund ("OFS Fund Portfolio Security") or Portfolio Company of their respective OFS Fund to anyone unless it is properly within his or her duties to do so. A Security is "Being Considered for Purchase or Sale" when a recommendation to purchase or sell the Security has been made and communicated and, with respect to the person making the recommendation, when such person seriously considers making such a recommendation. In all cases, a Security which has been recommended for purchase or sale pursuant to an Investment Committee memorandum, presentation, due diligence package or other formal Investment Committee recommendation shall be deemed to be a Security Being Considered for Purchase or Sale.
- 13.** Each Supervised Person shall complete a compliance questionnaire (the "Regulatory Compliance Disclosure") prior to employment and/or becoming a Supervised Person and annually thereafter, within the prescribed deadline, as provided by the Compliance Department, ("Compliance Due Date") through the Firm's compliance portal. Each Supervised Person shall supplement the Regulatory Compliance Disclosure, as necessary, to reflect any material changes between annual disclosures filings, and must immediately notify Compliance Department if any of the conditions addressed in the Regulatory Compliance Disclosure become applicable to such Supervised Person.
- 14.** Every Supervised Person must avoid any activity that might give rise to a question as to whether the Firm's objectivity as a fiduciary has been compromised (See Section V).

- 15.** Access Persons are required to disclose to a Compliance Officer the existence of any account that has the ability to hold any Reportable Securities (e.g., brokerage or trading accounts and IRAs), as well the account's holdings (immediately upon commencement of employment (which shall include the accounts and holdings of the Access Person's Related Persons), and in no case later than ten (10) calendar days beyond the Access Person's start date. Such Accounts must be disclosed even if they contain a zero balance or non-Reportable Securities. Access Persons are required to disclose accounts that are Managed Accounts; however, disclosing the holdings of such Managed Accounts is not required. With limited exceptions provided herein, Access Persons are also required to maintain Non-Managed Accounts capable of holding Reportable Securities with Approved Brokers, which have contracted to provide holdings and transaction reporting to the Compliance Department on the Firm's compliance portal. Access Persons must confirm the accuracy and completeness of the information so provided to the Firm on a quarterly and annual basis by the Compliance Due Date. Initial and quarterly reports must disclose the existence of all accounts, even if none of those accounts at the time hold a Reportable Security. (See Section II).
- 16.** The intentional creation, transmission or use of false rumors is inconsistent with the Firm's commitment to high ethical standards and may violate the antifraud provisions of the Advisers Act, among other securities laws of the United States. Accordingly, no Supervised Person may maliciously create, disseminate or use false rumors. This prohibition covers oral and written communications, including the use of electronic communication media such as e-mail, PIN messages, instant messages, tweets, text messages, blogs, and chat rooms. Because of the difficulty identifying "false" rumors, the Firm discourages Supervised Persons from creating, passing, or using any rumor.

C. PERIODIC COMPLIANCE REPORTING AND TRAINING

Each Supervised Person is required to complete all assigned compliance certifications, disclosures and trainings by the Compliance Due Date. Absent an exemption granted to you by a Compliance Officer, failure to complete such items by the Compliance Due Date will likely constitute a violation of this Code and may result in the imposition of sanctions.

The Compliance Department also presents and/or coordinates mandatory training on this Code at least biennially and may assign mandatory or voluntary training on the Code or other Firm policies at such other times as the Compliance Department deems appropriate. Failure to attend or complete mandatory training sessions, unless excused in writing by a Compliance Officer, will likely constitute a violation of this Code and may lead to the imposition of sanctions. The Compliance Department maintains an attendance or completion list, as appropriate, of all Supervised Persons assigned to such training sessions.

D. ACKNOWLEDGMENT

Each Supervised Person must certify upon commencement of employment, at least annually thereafter, and at such other times as a Compliance Officer may determine, that he or she has read, understands, is subject to and has complied with the Code. Any Supervised Person who has any questions about the applicability of the Code to a particular situation should promptly consult with a Compliance Officer.

E. REPORTING AND SANCTIONS

While compliance with the provisions of the Code is anticipated, Supervised Persons should be aware that, in response to any violations, the Firm (or any OFS Fund, as applicable) shall take any action deemed necessary under the circumstances including, but without limitation, the imposition of appropriate sanctions. These sanctions may include, among others, verbal or written warnings, the reversal of trades, reallocation of trades to client accounts, disgorgement of profits, suspension or termination of personal trading or investment privileges, reduction in bonus or bonus opportunity, payment of a monetary fine payable to a recognized charitable organization of the Supervised Person's choice or, in more serious cases, suspension or termination of employment and/or the making of any civil or criminal referral to the appropriate governmental authorities.

Moreover, Supervised Persons are required to promptly report any violation(s) of this Code, any other compliance policies adopted by OFS Adviser or the Rule 38a-1 Manual adopted by any OFS Fund (collectively "Compliance Policies"), or any activity that may adversely affect the Firm's or any OFS Fund's business or reputation, to a Compliance Officer. The Compliance Department shall maintain a record of all violations of the Code or other Compliance Policies and any corrective actions taken. Supervised Persons are encouraged to report any concerns or problem to their supervisor, however, OFS Adviser has also established a third-party confidential hotline that enables employees to report any incident on a confidential and anonymous basis.

Reporting should be made through a letter to a Compliance Officer or via the telephonic and electronic reporting procedures detailed in the Firm's "Whistleblower Hotline Information" attached hereto as **Attachment A**. Further, all activities reported by Supervised Persons will be treated anonymously and confidentially (to the extent reasonably practicable) in order to encourage Supervised Persons to come forward with perceived problems. The Firm and each OFS Fund are committed to a full, unbiased review of any matter(s) raised.

The Firm and OFS Fund prohibit retaliation against any such personnel who, in good faith, seeks help or reports known or suspected violations (even if the reported event is determined not to be a violation), including Supervised Persons who assist in making a report or who cooperate in an investigation. Any Supervised Person who engages in retaliatory conduct will be subject to disciplinary action, up to and including termination of employment.

F. ADDITIONAL RESTRICTIONS AND WAIVERS BY OFS ADVISER AND THE OFS FUNDS

From time to time, a Compliance Officer may determine that it is in the best interests of the Firm to subject certain Supervised Persons or other persons (i.e., consultants and third party service providers) to restrictions or requirements in addition to those set forth in the Code. In such cases, the affected persons will be notified of the additional restrictions or requirements and will be required to abide by them as if they were included in the Code. In addition, under extraordinary circumstances, a Compliance Officer may grant a waiver of certain of these restrictions or requirements contained in the Code on a case-by-case basis. In order for a Supervised Person to rely on any such waiver, it must be granted in writing.

Any waiver of the requirements of the Code for any OFS Fund Director may be made only by the respective OFS Fund's board of directors or a committee of the board, and must be promptly disclosed to shareholders of the OFS Fund as required by law or relevant exchange rule or regulation.

The Compliance Department maintains a log of all requests for exceptions and waivers and the determinations made with respect to such requests.

G. REVIEW BY THE BOARD OF DIRECTORS OF EACH OFS FUND

The CCO will prepare a written report to be considered by the board of directors of each OFS Fund (1) quarterly, that identifies any violations of the Code with respect to each OFS Fund requiring significant remedial action during the past quarter and the nature of that remedial action; and (2) annually, that (a) describes any issues arising under the Code since the last written report to the Board, including, but not limited to, information about material violations of the Code and sanctions imposed in response to such violations, and (b) identifies any recommended changes in existing restrictions or procedures based upon each OFS Fund's and/or OFS Adviser's experience under the Code, then- prevailing industry practices, or developments in applicable laws or regulations, and (c) certifies that each OFS Fund and OFS Adviser have each adopted procedures reasonably designed to prevent violations of the Code, and of the federal securities laws in accordance with the requirements of the Advisers Act and the Company Act.

The board of directors of each OFS Fund will also be asked to approve any material changes to the Code within six (6) months after the adoption of such change, based on a determination that the Code, as amended, contains policies and procedures reasonably designed to prevent violations of the federal securities laws.

H. CCO REPORTING

The CCO prepares a written report to be considered by Senior Management no less than annually, that (a) describes any issues arising under the Code since the last written report, including, but not limited to, information about material violations of the Code and sanctions imposed in response to such violations, and (b) identifies any recommended changes in existing restrictions or

procedures based upon OFS Adviser's experience under the Code, then-prevailing industry practices, or developments in applicable laws or regulations.

The CCO of each OFS Fund prepares a written report to be considered by the relevant OFS Fund Directors no less than annually, that (a) describes any issues arising under the Compliance Policies since the last written report, including, but not limited to, information about material violations of the Compliance Policies and sanctions imposed in response to such violations, and (b) identifies any recommended changes in existing restrictions or procedures based upon each OFS Fund's and/or OFS Adviser's experience under the Compliance Policies, then-prevailing industry practices, or developments in applicable laws or regulations.

I. CCO AND COMPLIANCE OVERSIGHT

All requirements and prohibitions under this Code are likewise applicable to the CCO and all Compliance Department employees. For the purpose of addressing actual and perceived conflicts of interest and potential self-dealing, with the exception of potential transactions that are automatically precleared or denied through the Firm's compliance portal (e.g., certain personal trades), any pre-approval request as submitted by a Compliance Department employee, excluding the CCO, must be reviewed and approved, as applicable, by another member of the Compliance Department. Pre-approval requests of the CCO, with the exception of potential transactions that are automatically precleared or denied through the Firm's compliance portal, must be reviewed and approved as applicable, by CIM's Chief Legal Counsel ("CLC"). Under no circumstances should the CCO or any Compliance Department employee review his/her own report or approve his/her own pre-approval request or their direct supervisor's preclearance request.

Potential Code violations by the CCO must be reviewed by the CLC. Potential Code violations by a Compliance Department employee must be reviewed by the CCO. If it is determined that a violation occurred, the CCO or employee will be subject to the applicable sanction(s) under the Code.

J. CONFIDENTIALITY

Supervised Persons will be given access to and become acquainted with highly confidential information about the Firm such as its financial information, business plans and strategies, investment strategies and opportunities, affiliated companies and internal policies and practices, as well as information relating to past, current and prospective Advisory Clients and Portfolio Companies. Such information must not be disclosed or discussed with anyone other than the Firm's employees under any circumstances, and only on a "need to know" basis, unless otherwise permitted by the Legal or Compliance Departments.

Although we do encourage employees to report any concerns, suspected violation(s) of our various codes of conduct, any activity that may adversely affect the Firm's business or reputation, any ESG-related concerns or violations, or any other inappropriate conduct to their supervisor, Compliance, or Legal, there may be times where employees may not feel comfortable voicing these concerns or problems to them. If employees desire or need to report a violation or misconduct, they

can do so by reaching out to the Ethics Point hotline. Please refer to the Whistleblower policy for additional information on providing confidential information.

K. CONFLICT WITH EMPLOYEE HANDBOOK

Where this Code addresses policies that are also addressed in other corporate policies or in the Employee Handbook of Orchard First Source Capital, Inc. or another Affiliate by which a Supervised Person is employed, the policies herein are intended to augment, and not to supersede or replace, the relevant corporate or Employee Handbook policies. In the event of any conflict that would prohibit a Supervised Person from complying with both sets of policies, the Supervised Person should address the conflict to a Compliance Officer.

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II. PERSONAL INVESTMENT POLICY

A. INTRODUCTION AND DEFINITIONS

The Advisers Act, specifically Rule 204A-1, requires "Access Persons" of a registered investment adviser, such as OFS Adviser, to provide periodic reports regarding transactions and holdings in "Reportable Securities" (as defined below) beneficially owned by Access Persons. Rule 17j-1 under the Company Act requires similar reports for "Access Persons" to a Fund, such as each of the OFS Funds.

The purpose of this Personal Investment Policy and related procedures is to advise Access Persons of their ethical and legal responsibilities with respect to Securities transactions that may involve (i) possible conflicts of interest with Advisory Clients, including the OFS Funds, and (ii) the possession and use of material, nonpublic information ("MNPI"). It is a violation of the Code for any Access Person of OFS Adviser or any OFS Fund to use their knowledge concerning a trade, pending trade, or contemplated trade or investment by an OFS Fund or any other Advisory Client to profit personally, directly or indirectly, as a result of such transaction, including by purchasing or selling such Securities.

The following definitions are utilized within this Personal Investments Policy and more broadly within the rest of the Code.

"Access Person" with respect to OFS Adviser means (a) any Supervised Person who (i) has access to nonpublic information regarding any Advisory Client's purchase or sale of Securities, or nonpublic information regarding the portfolio holdings of any Advisory Client (including any OFS Fund); or (ii) is involved in making Securities recommendations to Advisory Clients (including any OFS Fund), or has access to such recommendations that are nonpublic; and (b) all directors, officers and partners of OFS Adviser.s

For purposes of the Code, all Supervised Persons are generally considered to be Access Persons of OFS Adviser, and all Access Persons of OFS Adviser are considered to be Access Persons of each OFS Fund. OFS Fund Disinterested Directors are also considered Access Persons of each OFS Fund but are generally exempt from Recordkeeping, Reporting and Statement of Restrictions requirements of Access Persons included in this Code, except as described in Section II.D below.

"Affiliate Account" means: (i) the personal Securities account of an Access Person or the account of any Related Person in which Reportable Securities may be held or transacted; (ii) any such Securities account for which any Access Person serves as custodian,

trustee, or otherwise acts in a fiduciary capacity or with respect to which an Access Person either has authority to make investment



§The Chief Compliance Officer or his/her designee may consider any director, officer, principal, member or employee, including, but not limited to, intern consultants and temporary employees, of an Affiliate of OFS Adviser to be a Supervised Person, and Access Person if appropriate, of OFS Adviser if the Chief Compliance Officer determines that such person performs services for OFS Adviser, through any staffing or similar agreement, such that the person would constitute a Supervised Person or Access Person if such person was a director, officer, member, principal or employee, including an intern or temporary employee, of OFS Adviser. The Compliance Department will maintain a list of all such persons and whether each person is (1) a Supervised Person and (2) an Access Person and will notify each person of relevant requirements. The majority of OFS Adviser's personnel are employees of Orchard First Source Capital, Inc., an Affiliate of OFS Adviser.

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decisions or from time to time makes investment recommendations, except with respect to Advisory Clients; (iii) any such Securities account of any person, partnership, joint venture, trust or other entity in which an Access Person or his or her Related Person has Beneficial Ownership or other Beneficial Interest; and (iv) and accounts containing Reportable Funds of which an Access Person or his or her Related Person has Beneficial Ownership or Beneficial Interest.

“Beneficial Interest” means an interest whereby a person can, directly or indirectly, control the disposition of a Security or a Reportable Fund or derive a monetary, pecuniary or other right or benefit from the purchase, sale or ownership of a Security or a Reportable Fund (e.g., interest payments or dividends).

“Beneficial Ownership” of a Security, Reportable Fund or account means, consistent with Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and Rule 16a- 1(a)(2) thereunder, ownership of Securities, Securities accounts, or Reportable Funds by or for the benefit of a person or his or her Related Person. Beneficial Ownership specifically includes any Security or account in which the Access Person or any Related Persons holds a direct or indirect Beneficial Interest or retains voting power (or the ability to direct such a vote) or investment power (which includes the power to acquire or dispose of, or the ability to direct the acquisition or disposition of, a Security, Securities accounts or Reportable Funds), directly or indirectly (e.g., by exercising a power of attorney or otherwise).

“Exempt Security” is any Security that falls into any of the following categories: (i) shares issued by open-end mutual funds (excluding exchange traded funds (“ETFs”), except Reportable Funds, if any; (ii) shares issued by money market funds; (iii) Security purchases or sales that are part of an automatic dividend reinvestment plan (e.g., DRIP accounts, etc.) (note – all automated investment plans, including dividend reinvestment plans, are subject to initial and annual holdings reporting); (iv) College Direct Savings Plans (e.g., 529 College Savings Program, etc.); (v) shares issued by unit investment trusts that are invested exclusively in one or more open-end funds (so long as such funds are not Reportable Funds); (vi) bankers’ acceptances, bank certificates of deposit or time deposits, commercial paper and other short term high quality debt instruments with one year or less to maturity; and (vii) treasury obligations (e.g., T-bills, notes and bonds) or other Securities issued/guaranteed by the U.S. Government, its agencies, or instrumentalities (e.g., FNMA, GNMA).

“Managed Accounts” means non-Affiliated Accounts that are controlled or invested on a fully discretionary basis by a third party, such as an investment adviser or broker.

“Non-Managed Account” means any Affiliated Accounts controlled or invested by the Access Person or their Related Persons in which Reportable Securities may be held.

"Related Person" means the spouse, domestic partner, child or stepchild, parent or stepparent, grandchild, grandparent, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law (including adoptive relationships) of an Access Person, who either resides with, or is financially dependent upon, the Access Person, and whose investments are controlled by the Access Person.

"Reportable Fund" means any Fund for which OFS Advisor or any Affiliate acts as investment adviser, sub-adviser, or underwriter.

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"Reportable Security" means every Security and Reportable Fund in which an Access Person or a Related Person has a Beneficial Ownership or other Beneficial Interest, except for an Exempt Security.

"Security" means any note, stock, treasury stock, bond, debenture, Blockchain ETFs, evidence of indebtedness, certificate of interest or participation in any profit-sharing agreement, collateral-trust certificate, reorganization certificate or subscription, transferable share, investment contract, voting trust certificate, certificate of deposit for a security, fractional undivided interest in oil, gas or other mineral rights, any put, call, straddle, option or privilege on any security (including a certificate of deposit) or on any group or index of securities (including any interest therein or based on the value thereof), or a put, call, straddle, option or privilege, entered into on a national securities exchange relating to foreign currency, or in general, any interest or instrument commonly known as a "security," or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

Note that Security has a different definition for purposes of the Inside Information Policy of the Code.

B. PRECLEARANCE AND REPORTING REQUIREMENTS

Under the Advisers Act and the Company Act, OFS Adviser and each OFS Fund are required to keep records of transactions in Reportable Securities in which Access Persons have Beneficial Ownership or a direct or indirect Beneficial Interest.

In most cases, determining whether an Access Person or his or her Related Person has Beneficial Ownership of, or a Beneficial Interest in the Reportable Securities held in an account (which would make such account an Affiliated Account for purposes hereof) is a straight-forward process. It is, however, important to note that, in some cases, an owner of an equity interest in an entity may be considered to have Beneficial Ownership of the assets of that entity. In general, equity holders are not deemed to have Beneficial Ownership of Securities held by an entity that is not "controlled" by the equity holders or in which the equity holders do not have or share investment control over the entity's portfolio. Because the determination of whether an equity holder controls an entity or its investment decisions can be complicated, Access Persons are encouraged to seek guidance from a Compliance Officer. To the extent such guidance is not sought, any failure by an Access Person to properly identify all Affiliated Accounts will be treated as a violation of the Code.



6Note that, for most purposes, evidences of indebtedness are treated as "Securities" for securities law purposes; insider trading prohibitions are an exception to this general rule.

1. Preclearance of Personal Trades

Access Persons and their Related Persons must submit preclearance requests for all transactions in Reportable Securities in Non-Managed Accounts:

Reportable Securities include, but are not limited to, the following:

- Publicly Listed Stocks
- Puts, Calls, Straddle and Options on listed securities
- Corporate Bonds and Notes
- Municipal Bonds
- Exchanged Traded Funds (ETFs) and Exchanged Traded Notes (ETNs)
- ICOs and IPOs
- Private Placements
- Affiliated Securities

1.1 Preclearance to Trade Reportable Securities

All Access Persons and Related Persons must submit preclearance requests for all transactions in Publicly Traded Reportable Securities in Non-Managed Accounts. Preclearance requests shall be made through the Firm's compliance portal. A record of such approval (or denial), and a brief description of the reasoning supporting such decision will be maintained in accordance with the recordkeeping requirements of the Advisers Act and the Company Act.

Preclearance authorization for publicly traded Reportable Securities is effective until the next market close following the approval, unless explicitly extended or revoked by a Compliance Officer. If the approved transaction is not completed by the next close of market trading, the Access Person must submit a new pre-approval request and again receive approval from a Compliance Officer for the relevant transaction. Market close is determined by the exchange on which the security, selected by the Access Person, is traded.

For example:

- If a trade is approved during market trading hours, the Access or Related Person will have until market close on the same day the approval was granted to complete the trade. If the approved transaction is not completed during market hours on the same day, a new preclearance request must be submitted.
- If a trade is approved after market close, the Access or Related Person will have until market close on the following trading day to complete the trade.

Preclearance requests may be rejected for any reason a Compliance Officer deems appropriate, but requests related to personal securities trades that would violate the provisions of the Statement of Restrictions section below, including but not limited to the No "Front Running" section, or the "Restricted List" or "Trades of OFS Funds Directors" sections below, will generally be rejected.

1.2 Preclearance of Automated Investment Plans (“AIPs”)

All Access Persons and their Related Persons interested in contributing to automatic investments in Reportable Securities at regular intervals (“Automatic Investment Plans” or “AIPs”) must contact the Compliance Department prior to submitting an Automated Investment Plans Preclearance Form – a sample of which is attached hereto as Attachment B. Examples of AIPs include, but are not limited to, company dividend reinvestment plans/programs, direct stock purchase plans or any cash sweep that auto-invests in a Reportable Security. Access Persons may complete and submit their AIP Preclearance Form to the Compliance Department about a potential AIP after they have contacted and received initial approval by the Compliance Department. Once the AIP Preclearance Form is approved, the transactions executed as prescribed in the AIP do not need preclearance unless modified. Any modification to the AIP requires the AIP to be re-submitted to Compliance for approval. If the AIP is terminated, the Compliance Department is required to be notified.

Access Persons may find a copy of the AIP Preclearance Form on the Firm’s compliance portal or its intranet site.

1.3 Preclearance of Affiliated Securities and Investments

All Access Persons and their Related Persons must submit a preclearance request to donate or transact, whether for direct or indirect personal benefit, in Affiliated Securities, including, but not limited to, OFS Capital Corporation (OFS), OFS Credit Company, Inc. (OCCI), CIM Real Assets & Credit Fund (RACR), Creative Media Community Trust Corporation (CMCT) and CIM Real Estate Finance Trust, Inc. (CMFT). Approvals to transact in or donate Affiliated Securities will generally be granted only during an open trading window. All approved transactions or contributions must be completed by the next market close following the approval, unless explicitly extended or revoked by a Compliance Officer. If the approved transaction or contribution is not completed by the close of market trading on the approval date, the Access Person must submit a new preclearance request through the Firm’s compliance portal prior to the close of any applicable trading window.

1.4 Preclearance for Private Placements, IPOs and ICOs

All Access Persons and Related Persons must submit preclearance requests for all transactions in IPOs, ICOs and/or Private Placements from either the (i) Compliance Department; or (ii) where such Access Person is the CCO, the prior written approval of the Chief Legal Officer. Requests to make such investments shall be made through the Firm’s compliance portal.

2. Reporting Requirements

The following personal Securities holdings and transaction reporting requirements have been adopted to enable each of OFS Adviser and each OFS Fund to satisfy their legal and regulatory requirements:

- In all cases, within ten (10) calendar days from the date of commencement of

employment (or other engagement or arrangement) with the Firm, every new Access Person shall submit to the Compliance Department, through the Firm's compliance portal, the required information about any Affiliated Accounts (such information must be current as of a date no more than forty-five (45) calendar days prior to the date the person becomes an Access Person);

- Within sixty (60) calendar days of becoming an Access Person, every new Access Person must transfer all Non-Managed Accounts in which Reportable Securities are held or are capable of being held to a broker-dealer to which the Compliance Department has access via the Firm's compliance portal (an "Approved Broker"). Subsequently, any new Non-Managed Accounts opened on behalf of such Access Person or his or her Related Person in which Reportable Securities will be held or transacted must be established with an Approved Broker. The Compliance Department maintains a list of Approved Brokers, which can be found on the Firm's compliance portal site. Holdings and transactions in Reportable Securities in these accounts are electronically reported to the Compliance Department by the Approved Brokers through the compliance portal.
- Any exception to the Approved Broker policy above must be approved in writing by a Compliance Officer.
- By the Compliance Due Date and no later than thirty (30) calendar days after each quarter end, every Access Person is required to certify all Affiliated Accounts via the Firm's compliance portal. Any updates to an Access Person's accounts must be reported via the Firm's compliance portal within thirty (30) calendar days of opening or closing of such Affiliated Account.
- By the Compliance Due Date and no later than thirty (30) calendar days after each quarter end, every Access Person is required to certify via the Firm's compliance portal, all transactions in Reportable Securities in Non-Managed Accounts, as recorded by the system during the quarter. Any transactions in Reportable Securities in a Non-Managed Account not included within the Firm's compliance portal should be reported separately by the Access Person.
- By the Compliance Due Date and no later than forty-five (45) calendar days following the end of each calendar year (i.e., February 14), every Access Person is required to certify, via the Firm's compliance portal, such Access Person's and their Related Persons' holdings of Reportable Securities in Non-Managed Affiliated Accounts as of year- end, including Reportable Securities holdings held in Automatic Investment Plans. Any holdings in Reportable Securities in a Non-Managed Account or an Automated Investment Plan, not already reflected within the Firm's compliance portal, should be reported separately by the Access Person.

3. Managed Accounts

The Firm recognizes that it may be impossible or impractical for accounts that are controlled or invested on a fully discretionary basis by a third party, such as an investment adviser or broker ("Managed Accounts"), to comply with the Preclearance and Reporting Requirements section and Statement of Restrictions section of the Code. Therefore, Managed Accounts are exempted from such procedures, *provided* that the Access Person cedes any and all control over investment decisions for the account (other than general asset class and objectives guidelines) to such third party and does not communicate with such person with respect to individual transactions for the account. Special rules apply with respect to whether an Access Person "controls" the investment decisions of an entity in which he or she invests; guidance from a Compliance Officer should be sought in such instances.

The Firm requires that general information regarding Managed Accounts, including broker, account title, account number, and the status of the account, be reported through the Firm's compliance portal. In order to properly establish a Managed Account, the Access Persons is required to provide to the Compliance Department evidence that full investment discretion has been provided to the third-party investment adviser or broker (e.g., provide the investment management agreement or a letter from the investment adviser/broker attesting that it has full investment discretion over the Access Persons' or their Related Persons' account). Upon establishing a Managed Account in the Firm's compliance portal and quarterly thereafter, the Access Person is required to certify within the Firm's compliance portal that he or she does not participate, directly or indirectly in individual investment decisions in the Managed Account or be made aware of such decisions before transactions are executed.

4. Non-Transferable Accounts

The Firm recognizes that it may be impossible or impracticable for certain types of Non- Managed Accounts (e.g. 401(k) accounts) of Access Persons or their Related Persons with other employers, or an account pledged to secure a personal loan, etc. to be transferred to an Approved Broker. A Compliance Officer may exempt any such Non-Managed Account from the Approved Broker procedures set forth above provided that the Access Person shall be responsible for reporting transactions and holdings of Reportable Securities (e.g. employer shares) in such account as set forth above and complying with the Statement of Restrictions section of the Code with respect to such Non- Managed Accounts.

The Firm requires that all such "non-transferable" Non-Managed Accounts be reported to the Compliance Department so that an exemption may properly be granted. General information regarding such accounts must be reported through the Firm's compliance portal. A Compliance Officer may, as a condition to exempting such Affiliated Accounts, require, initially and periodically thereafter, copies of account statements, a certification from the Access Person, or such other information as such Compliance Officer deems prudent.

5. Transactions Subject to Review

Transactions and holding information reported via the Firm's compliance portal will be reviewed by a Compliance Officer and compared against the investments made or considered by each of the Advisory Clients. Such review and comparison are designed to evaluate compliance with the Code and, further, to determine whether there have been any violations of applicable law. Reporting made by a Compliance Officer is reviewed by a different Compliance Officer so that no Compliance Officer is reviewing his or her own reporting.

C. STATEMENT OF RESTRICTIONS

1. No "Front Running"

Front running is the illegal practice of trading in a Security based on advance non-public information. A personal trade in Securities ("Personal Securities Trade"), based on material nonpublic information or with advance knowledge of an anticipated OFS Advisory Client trade in the Security contemplated for personal trading, is prohibited. Unless specifically permitted within this Code and excluding Exempt Securities, no Access Person or Related Person may execute a Personal Securities Trade in a Non-Managed Account in a security if OFS Adviser (on behalf of its Advisory Clients):

- (i) has a pending buy or sell order in the same specific security;
- (ii) has bought or sold the same specific security within five (5) business days before or after the Access Person or Related Person's potential Personal Securities Trade; or
- (iii) is considering a purchase or sale of the same specific security in the next five (5) business days. OFS Adviser is deemed to be *considering* a purchase or sale when a recommendation to purchase or sell a security has been made known, and/or communicated by the Investment Department.

2. Restricted List

No Access Person or Related Person may make a Personal Securities Trade in any Non- Managed Account in the Securities of an issuer, a Security whose performance tracks the performance of an issuer (e.g., single stock ETF) or Security that derives its value from the value of an issuer (e.g., futures, options, forwards and swaps) listed on the Firm's Restricted List. The Restricted List is not published for Access Persons to review, but all pre-clearance requests for Securities, issuers or underlying issuers of which a Security tracks or derives its performance that are currently on the Firm's Restricted List will be rejected, regardless of trading size.

The Firm may place an issuer or Security on the Restricted List at any time without prior notice to Access Persons. Therefore, Access Persons or Related Persons who obtain Securities of an issuer that is later placed on the Restricted List may be "frozen in," or prohibited from disposing of such Securities, until the issuer has been removed from the Restricted List.

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The Firm understands that an Access Person recently joining the Firm as a new employee ("New Hire"), or their Related Persons, may be financially disadvantaged by being restricted from liquidating holdings of a Security of an issuer included on the Firm's Restricted List ("Restricted List Security"). Therefore, under limited conditions and prior to his or her start date (i.e., the first day on which the New Hire begins working in his or her position with the Firm), a New Hire may request to place a liquidating trade in a Restricted List Security. As New Hires will not have access to the Restricted List prior to their start date, New Hires must provide any potential securities to be liquidated to the Compliance Department, and Compliance will respond as to whether the issuers of such securities are on the Restricted List. The request to liquidate must be made by the New Hire prior to his or her start date by completing the "Request to Place a Liquidating Trade in a Restricted Security" form, which can be obtained from Compliance. Compliance will review each request on a case-by-case basis and approve or deny the request, assessing all available and relevant information. *If approved, specific conditions will be placed on the transaction (e.g., requirement to liquidate all shares within a certain number of days of the approval and prior to the New Hire's start date).*

3. Trades by OFS Funds Directors

OFS Funds Directors are prohibited from trading any OFS Funds Portfolio Security.

4. Trades of OFS Funds Securities or other Affiliated Securities

No Access Person or their Related Person may, for direct or indirect personal benefit, donate or transact in an affiliated security, including, but not limited to, OFS Funds, CIM Real Assets and Credit Fund, Creative Media & Community Trust Corporation (CMCT) and CIM Real Estate Finance Trust, Inc. (CMFT), without obtaining pre-clearance from Compliance. Pre-clearance requests should be submitted through the Firm's compliance portal Approval will generally be granted only during an open trading window. All approved transactions or contributions must be completed by the next market close following the approval, unless explicitly extended or revoked by a Compliance Officer. If the approved transaction is not completed by the close of market trading on the approval date, the Access Person must submit a new pre-clearance request through the Firm's compliance portal prior to the close of any applicable trading window.

5. Trades by Access Persons Serving on Company Boards

Affiliated companies for which Access Persons serve on the board of directors may permit members of its board of directors to purchase or sell stock based on a predetermined schedule (such as a Rule 10b5-1 Plan) that is approved by the company ("Predetermined Schedule"). Personal Securities Trades made in accordance with a Predetermined Schedule by Access Persons who serve on the board of directors of such companies are exempt from the restriction against trading in Securities added to the Restricted List after the adoption of the Predetermined Schedule, however such Predetermined Schedules must be provided to Compliance prior to any transaction conducted pursuant to the relevant Predetermined Schedule. Such transactions are also subject to the reporting requirements set forth in Section B Preclearance and Reporting Requirements. Further, purchases and

sales of Securities by such company's directors during an established trading window may be permitted with prior notice to, and at the discretion of, a Compliance Officer.

6. No Personal Trades Through OFS Adviser's Traders

No Personal Securities Trades may be effected through OFS Adviser's trading personnel.

7. Use of Brokerage for Personal or Family Benefit

No Access Person may, for direct or indirect personal or a Related Persons benefit, execute a trade with a broker by using the influence (actual or implied) of OFS Adviser or any Access Person's influence (actual or implied) with OFS Adviser.

8. Short Sale Transactions

No Access Person or Related Person may enter into a short sale transaction or any transaction that has the same economic effect (e.g., inverse single stock ETF, short common stock, purchase a put option or sell a naked call option) on any Security of an issuer for which a position is held long by an Advisory Client. Before Access Persons or their Related Person makes a short sale transaction, the Access Person must submit a pre-clearance request through the Firm's compliance portal to engage in a short transaction on a Security.

9. Acquiring Five (5) Percent or more of a Publicly Traded Company

Access Persons are required to report to a Compliance Officer, via the Firm's compliance portal, any ownership exceeding 5% of a class of equity securities of a publicly traded company that they or their Related Persons or Family Members have a beneficial interest in.



⁷ A Rule 10b5-1 plan is a written plan for trading Securities that is designed in accordance with Rule 105-1(c). Any person executing pre-planned transactions pursuant to a Rule 10b5-1 plan that was established in good faith at a time when that person was unaware of material nonpublic information has an affirmative defense against accusations of insider trading, even if actual trades made pursuant to the plan are executed at a time when the individual may be aware of material nonpublic information.

D. REQUIREMENTS OF OFS FUNDS DISINTERESTED DIRECTORS

The Recordkeeping, Reporting, and Statement of Restrictions provisions listed above (except those in Section II(C)(5-6) do not apply to any OFS Fund Director who is not an interested person of any OFS Fund within the meaning of Section 2(a)(19) of the Company Act ("Disinterested Directors") of each of the OFS Funds, except as the following describes. A Disinterested Director need only report a transaction if, at the time of a Personal Securities Trade in a Reportable Security, the Disinterested Director knew, or, in the ordinary course of fulfilling his or her duties as a director, should have known that during the fifteen (15) day period immediately

preceding or after the date of the transaction, their OFS Fund purchased or sold the Security or the Security was Being Considered for Purchase or Sale by their OFS Fund or OFS Adviser..

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III. INSIDE INFORMATION POLICY

A. INTRODUCTION

The prohibitions against insider trading set forth in the federal securities laws play an essential role in maintaining the fairness, health, and integrity of our markets. These laws also establish fundamental standards of business conduct that govern our daily activities and help to ensure that Advisory Client's trust and confidence are not compromised in any way. Consistent with these principles, OFS Adviser forbids any Supervised Person from (i) trading Securities for the Firm, any Advisory Client or any account in which a Supervised Person has a Beneficial Interest, if that Supervised Person is "aware" of material and nonpublic information ("MNPI" or "Inside Information") concerning an issuer; or (ii) communicating MNPI to others in violation of the law. This conduct is frequently referred to as "insider trading." This policy applies to all Supervised Persons, and extends to activities within and outside of each Supervised Person's duties at OFS Adviser or with any OFS Fund.

The term "insider trading" is not specifically defined under the federal securities laws (most guidance in this area can be found under case law and related judicial decisions), but generally is used to refer to improper trading in Securities *on the basis of MNPI* (whether or not the person trading is an insider). A person is generally deemed to trade "on the basis of MNPI if that person is aware of MNPI when making the purchase or sale, regardless of whether the person specifically relied on the information in making an investment decision. It is generally understood that the law prohibits trading by an insider on the basis of MNPI about the Security or issuer. To be held liable under the law, the person trading generally must violate a duty of trust or confidence owed directly, indirectly or derivatively to the issuer of that Security or the shareholders of that issuer, or to any other person who is the source of the material nonpublic information (e.g., an employer). The law also prohibits the communication of inside information to others and provides for penalties and punitive damages against the "tipper" even if he or she does not gain personally from the improper trading.



oOFS Adviser often transacts in syndicated or other loan interests on the basis of information that is not available to other members of the syndicate, or to the public in general; however, for the limited purpose of this policy, "Securities" (as defined in the Exchange Act) do not include such loan interests or other "evidences of indebtedness." If you are uncertain as to whether a particular investment is a "security" for purposes of this policy, contact the Legal/Compliance Department

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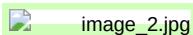
B. KEY TERMS

1. What is a "Security"?

The Exchange Act, which covers insider trading, defines "Security" very broadly to include most types of financial instruments,⁹ except bank debt.¹⁰ There may be instances where Supervised Persons receive information about such investments that is not generally known by other institutional investors - even those institutional investors who may be similarly situated (e.g., lenders that are privy to nonpublic information and have access to bank-level information or primary lender meetings). Although trading in "non-security" investments on the basis of nonpublic information is not prohibited by federal securities laws, such trading may be prohibited by fiduciary obligations, other federal or state statutes, or contractual obligations such as confidentiality agreements.¹¹ In situations where OFS Adviser has access to MNPI to which other potential investors/counterparties may not have access, Supervised Persons should consult with a Compliance Officer or Senior Management, as appropriate, as to whether a proposed purchase or sale of an investment should be made, and, if made, should include the use of a "Big Boy" letter (see the Firm's Confidentiality Policy), a confidentiality agreement (see the Firm's Confidentiality Policy), or, if the investment is a syndicated loan, the execution by OFS Adviser of the standard LSTA form, which includes disclosure concerning the possibility of access to such information. In addition, even if trading in a "non-security" investment is permissible because the above standards are met, Supervised Persons are still prohibited from trading in any Securities issued by the relevant borrower, either for an Advisory Client or themselves, if the information obtained would be material with respect to the Securities transaction. This would also include indirect participation in such a transaction; for example, by participating in an Investment Committee meeting in which a decision regarding such Securities was being considered.

2. Who is an Insider?

The concept of an "insider" is broad. It includes officers, directors, and employees of a company. In addition, a person can be a "temporary insider" if he or she enters into a special



⁹ For purposes of the Inside Information Policy, "Security" means any note, stock, treasury stock, security feature, security-based swap, bond, debenture, certificate of interest or participation in any profit-sharing agreement or in any oil, gas, or other mineral royalty or lease, any collateral- trust certificate, preorganization certificate or subscription, transferable share, investment contract, voting-trust certificate, certificate of deposit for a security, any put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof), or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency, or in general, any instrument commonly known as a "security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the foregoing; but shall not include currency or any note, draft, bill of exchange, or banker's acceptance which has a maturity at the time of issuance of not exceeding nine months, exclusive of days of grace, or any renewal thereof the maturity of which is likewise limited.

¹⁰ Note that, for most purposes, evidences of indebtedness are treated as "securities" for securities law purposes; insider trading prohibitions are an exception to this general rule.

¹¹ The Compliance Department maintains the Private Company List and Advisory Clients may not transact in these investments unless an exception to the prohibition from trading a security on the Private Company List has been granted by the CCO or his or her designee. Please refer to the Confidentiality Policy for more information.

confidential relationship in the conduct of a company's affairs and as a result is given access to information solely for the company's purposes. A temporary insider can include, among others, a company's attorneys, accountants, consultants, bank lending officers, investment advisers (such as OFS Adviser) and the employees of such organizations. OFS Adviser may become a temporary insider by signing a confidentiality agreement or by accessing material nonpublic information of a public issuer via a private electronic workspace.

3. What is Material Information?

Trading on inside information is not a basis for liability unless the information is deemed material. "Material" information generally is defined as information with respect to which there is a substantial likelihood that a reasonable investor would consider it important in making his or her investment decisions, or information that could reasonably be expected to have a substantial effect on the price of a company's Securities.

Among other things, the following types of information are generally regarded as "material":

- dividend or earnings announcements
- write-downs or write-offs of assets
- additions to reserves for bad debts or contingent liabilities
- expansion or curtailment of company or major division operations
- merger, joint venture announcements
- new product/service/marketing announcements
- new supplier/manufacturing/production announcements
- material charge/impairment announcements
- senior management changes
- changes in control
- material restatement of previously issued financial statements
- discovery or research developments
- criminal indictments and civil and government investigations, litigations and/or settlements
- pending labor disputes
- debt service or liquidity problems
- bankruptcy or insolvency problems
- tender offers, stock repurchase plans, etc.
- recapitalizations

Material information does not have to relate to a company's business. For example, in *Carpenter v. U.S.*, 18 U.S. 316 (1987), the Supreme Court considered as material certain information about the contents of a forthcoming newspaper column that was expected to affect the market price of a Security. In that case, a Wall Street Journal reporter was found criminally liable for disclosing to others the dates that reports on various companies would appear in the Journal and whether those reports would be favorable or not.

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4. What is Nonpublic Information?

Information is nonpublic until it has been effectively communicated to the marketplace. One must be able to point to some fact to show that the information is generally public. For example, information found in a report filed with the SEC, or appearing in Dow Jones, Reuters EconomicServices, The Wall Street Journal, Bloomberg, or other publications of general circulation would be considered public. Supervised Persons should seek specific guidance from a Compliance Officer in situations where information concerning an issuer or its affiliated entities (e.g., subsidiaries) may not have been made available to the investment community generally but was made available to a group of institutional investors.

5. Contacts with Companies

From time to time, Supervised Persons may meet with members of senior management at publicly-traded companies associated with an investment/deal or a prospective investment/deal. OFS Adviser may make investment decisions on the basis of the Firm's conclusions formed through such contacts and analysis of publicly-available information regarding foreign and U.S. companies. Difficult legal issues arise when, during these contacts, a Supervised Person becomes aware of MNPI about those companies. This could happen, for example, if a company's chief financial officer prematurely discloses quarterly results to a Supervised Person, a broker, or a securities analyst, or if an investor relations representative makes a selective disclosure of adverse news to a handful of investors. In such situations, Supervised Persons should immediately contact a Compliance Officer if he or she believes that he or she may have received MNPI about a publicly traded company.

6. Tender Offers

Tender offers raise heightened concerns in the law of insider trading for two reasons. First, tender offer activity often produces gyrations in the price of the target company's Securities. Trading during this period is more likely to attract regulatory attention (and produces a disproportionate percentage of insider trading cases). Second, the SEC has adopted a rule which expressly forbids trading and "tipping" while in possession of MNPI regarding a tender offer received from the tender offeror, the target company or anyone acting on behalf of either. Supervised Persons should exercise caution any time they become aware of nonpublic information relating to a tender offer.

7. Shadow Trading

Shadow Trading occurs when a Supervised Person possesses MNPI regarding a company and trades in the securities of another company that is "economically linked" to the company for which that Supervised Person has MNPI. "Economically Linked" is the concept that MNPI about one issuer could likely affect the price of the securities of another issuer due to being in the same sector, employing the same service providers, being subject to the same cybersecurity failings, etc. that are in the same sector or subsector in predictable ways. An SEC insider trading case claiming a defendant engaged in impermissible insider trading through shadow trading was upheld in a court case in April 2024, see [SEC v. Matthew Panuwat](#). Supervised Persons should be aware that the SEC considers

shadow trading to be insider trading and ensure they do not engage in transactions in "economically linked" securities while in possession of MNPI about a different, closely correlated issuer (securities of companies in the same industry). For example, a Supervised Person obtains MNPI regarding Southwest Airlines' discovery of a significant defect in its Boeing 737 planes, which is expected to cause its stock price to decline once that news is made available to the public. The Supervised Person then uses that information to short Alaska Airlines' stock, as Alaska Airlines also primarily utilizes Boeing 737's in their fleet and its stock is likely to be affected in the same way as they are in the same industry and "economically linked".

8. **Penalties for Insider Trading**

Penalties for trading on or inappropriately communicating MNPI are severe, both for the individuals involved and their employers. A person can be subject to some or all of the penalties below, even if he or she does not personally benefit from the violations. Penalties include:

- civil injunctions;
- disgorgement of profits;
- punitive damages (i.e., fines for the person who committed the violation of up to three (3) times the profit gained, or loss avoided, irrespective of whether the person actually benefited personally);
- felony convictions which include possible jail sentences; and
- fines and sanctions against the employer or other controlling person.

C. **INSIDER TRADING PROCEDURES**

The following procedures have been established to assist Supervised Persons in avoiding insider trading, and to aid OFS Adviser in preventing, detecting, and imposing sanctions for insider trading. The following procedures should be read in conjunction with other policies set forth in this Code, and in the Compliance Policies.

1. **Identifying MNPI**

Before trading in the Securities of a company about which they may have potential MNPI, Supervised Persons should ask themselves the following questions:

- Is the information material? Is this information that an investor would consider important in making his or her investment decisions (e.g., whether the investor should buy, sell, or hold a Security)? Is this information that would substantially affect the market price of the Securities if generally disclosed?

- Is the information nonpublic? To whom has this information been provided? Has the information been effectively communicated to the marketplace by being published in Reuters, The Wall Street Journal, Bloomberg, or other publications of general circulation? Remember that information that has been communicated to a relatively large group of sophisticated investors does not by itself mean that the information is public (e.g., large group of potential bank debt investors during an *invitation only* meeting).

2. Restricting Access to MNPI

Care should be taken so that MNPI is secure. For example, files containing MNPI should be sealed or locked; access to computer files containing MNPI should be restricted. As a general matter, materials containing such information should not be removed from the Firm's premises and, if they are, appropriate measures should be maintained to protect the materials from loss or disclosure. Among other things, Supervised Persons should:

- distribute materials containing MNPI only on a need-to-know" basis;
- take care so that telephone conversations cannot be overheard when discussing matters involving MNPI (e.g., speaker telephones should generally be used in a way so that outsiders who might be in OFS Advisers' offices are not inadvertently exposed to this information);
- limit access to offices and conference rooms when these rooms contain MNPI; and
- not leave materials containing MNPI displayed on the computer screen when they leave their computers unattended.

3. Review and Dissemination of Certain Investment Related Information

As part of its consideration of certain investments, including in certain types of "non-Securities" (e.g., bank debt instruments), the Firm may enter into confidentiality agreements with third parties (e.g., issuers, sponsors, syndicate members or other lenders) that could have implications for the Firm's compliance with federal securities laws. Those agreements may sometimes contain so-called "stand-still" provisions, which specifically restrict the Firm's activity in Securities of identified issuers, but more typically simply raise the possibility that nonpublic information may be disclosed to the recipient and seek the receiving party's acknowledgment of that understanding and agreement not to disclose any MNPI transmitted. The procedures for executing confidentiality agreements are set forth in the Firm's Confidentiality Policy. Many potential counterparties or their agents specifically require that potential investors sign a confidentiality agreement before they will be provided access to investment- related information. Because of the importance of our policies regarding access to and use of confidential information, confidentiality agreements may only be reviewed, negotiated, and executed as set forth in the Firm's Confidentiality Policy.

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4. Determination of Materiality

Given the unique asset classes in which OFS Adviser typically invests, Supervised Persons may receive detailed information about a Security that may not be otherwise readily available to the investing public. The issue of "materiality" and the ultimate determination as to whether the information provided rises to the level of MNPI should not be made independently by a Supervised

Person. Rather, the employee should contact the Compliance Department to conduct a materiality assessment and an informed determination may be made. Unless otherwise determined by the Compliance Department, in consultation with investment staff and outside legal counsel, as appropriate, information received about a publicly-traded Security that is not readily available to the investing public shall be deemed to be and treated as material.

5. Use of Expert Networks

While it is permissible to utilize Expert Networks, which provide information, advice, analysis, market expertise or industry experience for use in the due diligence process of a potential investment, formulating investment views or on-going oversight of current investments, OFS Adviser must be particularly sensitive about the information that these Expert Networks provide. Accordingly, OFS Adviser has adopted an Expert Network Policy which governs the contact and interaction with Expert Networks, and requires Supervised Persons to obtain preapproval from the Compliance Department before engaging an Expert Network. OFS Adviser's Expert Network Policy is hereby incorporated into this Code by reference. Those Supervised Person who have been approved to use Expert Networks are required to fully comply with all policies, procedures, certifications and training requirements associated with the Expert Network Policy, and any instance of non-compliance will likely constitute a violation of the Code.

6. Value-Added Investors

Certain investors, who are affiliated with public companies, can pose additional risk for Supervised Persons' exposure to MNPI. The SEC has coined the term "value-added investors" ("VAIs") to refer to these types of investors. VAIs are investors with whom OFS Advisor has direct contact (i.e., those investors of OFS Advisory Clients with whom OFS Advisor has ongoing relationships and not investors who interact with OFS Advisor for "one off" purposes) and are:

- Public company executives, officers, directors, or corporate insiders who may possess or have access to MNPI due to their position; and
- Executives, principals or portfolio managers at investment firms such as hedge funds, investment advisers, broker-dealers, or investment banks who may possess or have access to MNPI due to the nature of their position.

The Compliance Department maintains a VAI List. Certain OFS Supervised Persons who are responsible for interfacing with VAIs ("OFS VAI Contacts") will promptly contact the Compliance Department if they become aware of a VAI and/or provide updates to the VAI List and attest to their compliance with the VAI policy on a quarterly basis. The Compliance Department will assess the

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names on the VAI List and request additional information, as necessary, and add those issuers identified as associated with a VAI to the Watch List, as appropriate.

If you become aware of a current or prospective investor that could be considered a VAI or have questions regarding this policy, please contact the Compliance Department.

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IV. GIFTS, ENTERTAINMENT AND POLITICAL ACTIVITIES

A. INTRODUCTION

OFS Adviser attempts to minimize any activity that might give rise to a question as to whether the Firm's objectivity as a fiduciary has been compromised.

B. GIFTS AND ENTERTAINMENT POLICY

One possible area of fiduciary concern relates to providing or receiving meals, gifts, entertainment or anything of value from third parties with which OFS Adviser or its Advisory Clients do business, including each OFS Fund, joint business partners, service providers and current and prospective clients (collectively "Outside Parties" and each an "Outside Party").

Supervised Persons are prohibited from soliciting anything of value from Outside Parties. Further, no Supervised Person may give or receive any gift, meal or entertainment that could or is intended to influence decision-making or to make a person beholden, in any way, to another person or company that seeks to do or is currently doing business with the Firm or its Advisory Clients. Lavish or luxurious gifts and entertainment, and gifts and entertainment that are received or provided on a frequent basis, are generally deemed to meet this standard and, unless a Compliance Officer indicates otherwise, are prohibited. In addition, depending upon a Supervised Person's responsibilities, specific regulatory requirements may dictate the types and extent of gifts and entertainment that Supervised Persons may give or receive. The Firm is committed to competing solely on the merit of its products and services, and Supervised Persons should avoid any actions that create a perception that favorable treatment of Outside Parties by the Firm was sought, received or given in exchange for a particular decision or action.

1. Business Meals

Generally, Supervised Persons may share food and beverages (meals) with Outside Parties in the ordinary course of business. **Meals received by Supervised Persons from Outside Parties should not exceed \$250 per person per meal, unless preapproved by Compliance. Meals provided by Supervised Persons to Outside Parties are generally permissible and should also not exceed \$250 per person per meal, unless preapproved by Compliance. No food or beverages should be provided to Public Officials without preclearance and preapproval by Compliance.**

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2. Providing Business Gifts

Any Supervised Person who offers a gift to an Outside Party must be sure that it cannot reasonably be interpreted as an attempt to gain an unfair business advantage or otherwise reflect negatively upon the Firm. In addition, a Supervised Person may never use personal funds or resources to do something that cannot be done with Firm resources. A gift may include any services or merchandise of any kind or discounts on merchandise or services and other items of value. **Generally, Supervised Persons are prohibited from giving gifts of cash, cash equivalents (such as gift cards and gift certificates) and securities to Outside Parties.** This policy does not prohibit the provision of occasional or nominal non-cash gift items, such as holiday gifts, to Outside Parties so long as the amount provided by a Supervised Person to any one recipient over a calendar year does not exceed \$250. **Once the aggregate amount proposed to be provided by a Supervised Person to any one recipient during one calendar year exceeds \$250, that Supervised Person must submit a preclearance request and obtain preapproval via the Firm's compliance portal.** Further, anything of value (e.g., meals, beverages, gifts, and entertainment) to be provided to Public Officials requires preclearance approval via the Firm's compliance portal.

The Compliance Department shall periodically review gifts provided for compliance with this Code as part of quarterly expense reimbursement review process.

If you are unsure of OFS Adviser's policy with respect to providing gifts in any circumstance, you should consult with a Compliance Officer.

3. Receiving Business Gifts

No Supervised Person should obtain any material personal benefits or favors because of his or her position with the Firm. Each Supervised Person's decisions on behalf of the Firm must be free from undue influence. Soliciting gifts from Outside Parties is strictly prohibited. A gift may include any services or merchandise of any kind or discounts on merchandise or services and other items of value. Supervised Persons are prohibited from receiving gifts of cash, cash equivalents (such as gift cards and gift certificates) and securities from Outside Parties. This policy does not prohibit the receipt of occasional or nominal non-cash gift items, such as holiday gifts, so long as the amount received by a Supervised Person from any one source over a calendar year does not exceed \$250. **Any gift that will cause the total received by that Supervised Person from a single source to exceed \$250 for the calendar year, and any additional gift thereafter received during the calendar year, requires preclearance by a Compliance Officer.** Also, one of the following actions will generally be required: return the gift, donate the gift to charity or to OFS for a corporate raffle or keep the gift and write a check to charity for the difference between the fair market value of the gift and \$250. Such requests should be submitted via the Firm's compliance portal.

Gifts in any amount received by a Supervised Person from an Outside Party, except for gifts of nominal value (such as logo items, including pens, notepads, coffee mugs and baseball caps) must be disclosed in the Firm's compliance portal at the time of receipt.

4. Entertainment

The gift policies above are not intended to prohibit the acceptance or provision of non- extravagant entertainment that facilitates the handling of the Firm's business. Business entertainment (e.g., concerts, exhibitions or sporting events, where the person providing the entertainment is present), that is not frequent or "lavish" and does not influence the selection of vendors or other Outside Parties, is acceptable. Entertainment received by a Supervised Person where the outside party providing the entertainment is not in attendance is considered a "gift." From time to time, an employee may have the opportunity to invite a guest to a business entertainment event hosted by an Outside Party – the guest's ticket is considered as a "gift" for purposes of this policy. Business meals are not considered entertainment for purposes of this Policy (see Section IV.B. 1. "Business Meals" above for additional information).

No Supervised Person may provide or accept extravagant or excessive entertainment to or from an Outside Party. **Any entertainment that a Supervised Person reasonably expects to exceed \$1,000 in market value per person must be pre-approved by a Compliance Officer.** Also, if the entertainment provided by the Supervised Person is part of an entertainment program (e.g., purchasing season box seats, where multiple events are scheduled over multiple dates, for multiple Outside Parties), and although the market value per person may be below the \$1000 limit, these programs must also be approved in advance by a Compliance Officer. Further, entertainment of any value to be provided to Public Officials requires pre-approval from a Compliance Officer. Such requests should be submitted via the Firm's compliance portal.

A Supervised Person receiving entertainment in an amount less than the \$1,000 limit must disclose the entertainment via the Firm's compliance portal. The disclosure should be made no later than 30 calendar days of the date of participating in such event.

5. Travel and Lodging

Supervised Persons may occasionally be invited to conferences or other events by Outside Parties, which include an offer of travel and/or lodging. Employees must contact a Compliance Officer to obtain approval **prior to** accepting the travel and/or lodging. Requests to accept travel or lodging that appear to be extravagant or frequent in nature will generally be prohibited.

6. Giving Gifts, Entertainment and Meals to Public Officials

Specific requirements and restrictions apply regarding the offering of meals, gifts and entertainment (including any food and beverages) to Public Officials and can vary depending on the governmental branch/body, state, or other jurisdiction. For example, many government pension plans

place strict limits on the value of any meal provided by a service provider, such as the Firm, to the pension plans' employees. Certain jurisdictions even ban service providers from providing anything of value to their public employees, including promotional items of nominal value. Penalties for violating these gift laws can range from monetary fines to disqualification from RFP participation and rescindment of existing investment mandates. Private unions are subject to Department of Labor gift rules and regulations and service providers, such as the Firm, must comply with prescribed limits and reporting requirements when providing gifts and entertainment (including any food and beverages) to union employees. Accordingly, it is against Firm policy to offer or give gifts, entertainment (including any food and beverages), or anything of value to Public Officials or union officials or employees unless the regulations applicable to that individual permit acceptance of such items. **Further, Supervised Persons are required to obtain preclearance from a Compliance Officer to offer or give anything of value, including nominal items or snacks, to Public Officials or union officials or employees.** Such requests for prior approval should be submitted via the Firm's compliance portal.

If you plan to contact a Public Official for the first time in order to solicit business or to request that any action or decision be made by a Public Official or its affiliated public body, you may need to register as a lobbyist. Many states and other local jurisdictions have enacted lobbying laws that can vary in how they define "lobbying" and registration as a "lobbyist" is required. Further, in the event that you are required to register as a lobbyist, you will likely be subject to lower gift and entertainment limits. Accordingly, you should contact Compliance for further guidance prior to initial contact with Public Officials.

If you are unsure of applicable laws, rules, and regulations with respect to providing gifts, meals and entertainment (including any food or beverages) to Public Officials or union official or employees in any circumstance, you should consult with a Compliance Officer.

7. Receiving Gifts or Entertainment from Traders or Brokers/Agent Bank Employees

Traders or other investment professionals with the ability to influence the selection of brokers/agent banks with respect to trading in Securities and broadly syndicated loans are prohibited from receiving meals over \$250 and gifts or entertainment of any value from an employee of such broker/agent bank without submitting a preclearance request and receiving preapproval from Compliance. Such request for pre-approval should be submitted via the Firm's compliance portal.

8. Charitable Contributions

The following charitable contributions require preclearance by a Compliance Officer:

8.1 Charitable contributions by OFS Advisers and/or its affiliated operating entities.

Such contributions may be permissible only with the approval of Senior Management and

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requested through the Firm's compliance portal. The Compliance Officer will consult with Senior Management if such requests are not initiated by a member of Senior Management.

8.2 Charitable contributions by OFS Funds, separately managed accounts and investment vehicles.

Such contributions generally must, at a minimum: (1) provide a direct benefit to the contributing entity; (2) require the preliminary approval of the Senior Managing Director; and (3) be consistent with the contributing entity's governing documents. If the proposed contribution amount exceeds the entity's applicable budget, a member of Senior Management must also approve the contribution prior to submitting a preclearance request through the Firm's compliance portal.

8.3 Charitable contributions by an employee, at the request or for the benefit of a Public Official or a Public Official's immediate family member or close associate.

Such contributions may be permissible only if the Compliance Officer can reasonably conclude that the contribution is lawful, ethical and in compliance with the policies and standards under this Code.

In all cases, unless an exception has been granted by a Compliance Officer, the beneficiary of the contribution must be an organization formed under section 501(c)(3) of the U.S. Internal Revenue Code or is otherwise operating exclusively as a non-profit civic charity that is not involved in any political or lobbying activity. Further, such contributions should never be used as bribes (i.e., to improperly influence or reward any action or decision for OFS's benefit).

C. POLITICAL ACTIVITY POLICY

1. Introduction

The SEC, along with certain states, municipalities and public pension plans, have adopted regulations limiting or completely disqualifying investment advisers from providing services to, or accepting placements from, a government entity if certain political contributions¹² are made or solicited¹³ by the Firm, certain of its Supervised Persons, or, in some instances, a Supervised Person's Related Persons. Under these "pay to play" regulations, a single prohibited political contribution to a candidate or officeholder, political party, political action committee or other political organization at

 image_10.jpg

¹² Contributions include cash, checks, gifts, subscriptions, loans, advances, deposits of money, "in kind" contributions (e.g., the provision of free professional services) or anything else of value provided for the purpose of influencing an election for a federal, state or local office, including any payments for debts incurred in such an election.

¹³ Solicitation of contributions encompasses any fundraising activity on behalf of a candidate, campaign or political organization, including direct solicitation, hosting of events and/or aggregating, coordinating or "bundling" the contributions of others.

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practically every level of government (including local, state and federal) may preclude the Firm from providing services to, or accepting placements from, the applicable government entity and may compel the firm to repay compensation received by the Firm for with such services or placements.

OFS Adviser and its Affiliates (other than natural persons, as provided below) generally do not make or solicit contributions in any amount to any federal, state, county or local political campaign, candidate or officeholder, or any political organization (e.g., political party committee and political action committee ("PAC")). As such, Supervised Persons are

prohibited from making or soliciting contributions in the name of or on behalf of OFS Advisers and/or its Affiliates unless otherwise approved by the Compliance Department and a member of Senior Management.

No Supervised Person of the Firm or his/her Related Persons may engage in any Political Activity for any federal, state, county, or local political campaign, candidate or officeholder, or any political organizations (e.g., political party committee, political action committee), without the prior written approval of a Compliance Officer. Such requests should be submitted via the Firm's compliance portal. "Political Activity" for the purpose of this Policy is defined as monetary or in-kind campaign contributions to, or for the benefit of, any government official, candidate running for office, political party or legislative leadership, politically active non-profit, ballot measure committee or PAC as well as the solicitation and coordination of campaign contributions. Volunteering for a campaign that does not include solicitation or coordination of campaign contributions does not require pre-approval.

A Supervised Person and their Related Persons wishing to engage in a Political Activity must submit a Political Activity pre-clearance request on behalf of the Supervised Person (or his or her Related Person) through the Firm's compliance portal prior to engaging in Political Activity, and such submission must include all pertinent information related to the proposed activity, including, but not limited to, the individual wishing to contribute, amount of the contribution, the name of the intended recipient, the nature of the recipient's candidacy, whether the proposed recipient holds an existing political office (whether local, state or federal), and whether the Supervised Person (or his or her Related Person, where applicable) is legally entitled to vote for the proposed recipient. Because of the serious nature of the sanctions applicable to a pay to play violation, requests to engage in Political Activity for candidates seeking election to state and local offices will generally be limited, depending on whether a Supervised Person is legally entitled to vote for the candidate. As such, requests to donate to state or local candidates and officials may be approved up to \$350, where the Supervised Person is legally entitled to vote for the candidate, and is limited to \$150 or less, where a Supervised Person is not legally entitled to vote for the candidate or where the relevant jurisdiction imposes more restrictive limits. Once approved, Supervised Persons and/or their Related Persons (as applicable) must make the contribution within 60 days of the approval date, unless otherwise noted by Compliance. If the Political Activity is not completed within this time frame, a new preclearance request must be submitted. In addition, if the proposed Political Activity is a monetary contribution, Supervised Persons are responsible for ensuring that the contribution is made solely towards the political campaign or candidate for which it is approved.

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The Firm expects that every Supervised Person will explain the importance of compliance with this policy to his/her Related Persons, and ensure their clear understanding of the obligation to follow these requirements. Moreover, the applicable laws in this area are complex and a trap for the unwary - no Supervised Person should attempt to decide for himself or herself whether a Political Activity is prohibited or permissible. Supervised Persons are responsible for complying with and tracking their own Political Activity limits.

2. Indirect Violations

The pay to play laws also prohibit actions taken indirectly that the Firm or its Supervised Persons could not take directly without violating the law. For example, it is improper and unlawful to provide funds to a third party (such as a consultant or attorney) with the understanding that the third party will use such funds to make an otherwise prohibited contribution. Such indirect violations may trigger disqualification of the Firm from receiving compensation and result in other sanctions, including possible criminal penalties. If any Supervised Person learns of facts and circumstances suggesting a possible indirect violation, that Supervised Person must report such facts and circumstances to a Compliance Officer immediately.

3. Periodic Disclosure

In order to ensure compliance with this policy, every Supervised Person must submit via the Firm's compliance portal, a disclosure and certification setting forth all Political Activity by the Supervised Person and his/her Related Persons for the previous two (2) years or confirming that no such contributions have been made, prior to and at commencement of employment and/or first becoming a Supervised Person. Supervised Persons are also required to disclose and certify all Political Activity in which they or their Related Persons have engaged on a quarterly basis.

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V. OUTSIDE AFFILIATIONS POLICY

A. OUTSIDE BUSINESS ACTIVITIES

From time to time, Supervised Persons may be asked and/or desire to own, work for or serve as a general partner, managing member, principal, proprietor, consultant, agent, representative, or employees of an outside organization for or without compensation, all of which are considered "Outside Business Activities". These organizations may include, but are not limited to, public or private corporations, limited and general partnerships, family offices, endowments, and foundations.

In addition, Outside Business Activities may include a Supervised Person's personal publications regarding credit investments or a Supervised Person's personal use of social media for actual or intended monetary benefit. Examples of such publications or social media include, but are not limited to, printed articles, weblogs, video logs, You Tube, X, Instagram and TikTok.

Outside Business Activities may, however, create potential conflicts of interest and/or provide access to MNPI. In order for the Compliance Department to address these potential issues, **Supervised Persons must obtain prior approval from their supervisor and a Compliance Officer to engage in Outside Business Activities.** Approval should be requested through the Firm's compliance portal.

Prior approval is generally not required to assume positions with charitable and other non- profit organizations or civic and trade associations. **However, if your responsibilities will include the provision of investment advice, such as participation on the investment committee of a non-profit organization, or the organization is a client or business partner of the Firm or its Affiliates, you must obtain prior approval from your supervisor and a Compliance Officer.**

B. DIRECTOR AND OFFICER POSITIONS

In other instances, Supervised Persons may be asked or desire to serve as a director, trustee or officer, with or without compensation, for organizations unaffiliated with the Firm and its Affiliates ("**Outside Director and Officer Positions**"). Separately, Supervised Persons may be asked to serve as a director or officer, with or without compensation, for organizations that are affiliated with the Firm, or its Affiliates ("**Affiliated Director and Officer Positions**").

As a prospective board member, trustee or officer, it is critical that you coordinate with the Compliance Department to ensure that potential conflicts of interest are addressed and special measures are taken to handle and maintain the confidentiality of any information that you may obtain in your new position.

1. Outside Director and Officer Positions

As such, in the event that you wish to assume an Outside Director and Officer Position, you must obtain prior approval from your supervisor and a Compliance Officer. Outside Director and Officer Positions will be approved only if any associated conflicts of interest and risks,

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actual or apparent, can be satisfactorily mitigated or resolved. Please note, however, you are not required to seek pre-approval or provide disclosure to serve as a board member or officer of a personal residential organization, such as a homeowner's association or coop board, or an entity formed for personal estate planning purposes.

2. Affiliated Positions

If you are assuming an Affiliated Director and Officer Position, you must only disclose your new position to the Compliance Department and in a timely manner. However, you are not required to pre-clear or disclose director or officer positions with holding companies, or "pass- through" entities affiliated with OFS, the OFS Funds or the OFS Funds' underlying assets.

Disclosures of Affiliated Director and Officer Positions should be made through the Firms' compliance portal.

C. EMPLOYEE RELATIONSHIPS

The Firm needs to be aware of relationships maintained by Supervised Persons with third parties that may create the potential for conflicts of interest. The Firm uses this information to assess the need to prohibit certain Supervised Persons from handling matters where such a conflict exists or institute mitigating controls surrounding the levels of business activity or contract negotiations where a relationship posing a conflict has been identified. This may include situations where a Supervised Person's Related Person or Family Member is: 1) a director, an owner of more than 5% of or a senior management executive of a public company, 2) employed or engaged by a company with which the Firm is conducting or may conduct business, and such Related Person or Family Member is in a position to make decisions with respect to such business or is directly involved with the relationship with the Firm (e.g. a law firm, real estate broker or general contractor), or 3) employed with or serving in an office of a state or local government entity (e.g., city retirement system, state office, public university), in which the Related Person or Family Member has the authority, directly or indirectly, to affect the entity's current or prospective relationship with the Firm. Such relationships should be disclosed using the Firm's compliance portal.

For purposes of this Code, "Family Member" means the parents, children, brothers, sisters, aunts, uncles, and in-laws of the Supervised Person *regardless of residence, financial dependence, or investment control*.

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VI. ANTI-CORRUPTION POLICY

The purpose of the OFS Adviser's Anti-Corruption Policy is to ensure compliance by the Firm and its employees with applicable anti-bribery laws. As such, the Policy prohibits OFS Adviser employees from offering, promising, paying or providing, or authorizing the promising, paying or providing (in each case, directly or indirectly, including through third parties) of any amount of money or anything of value to any Public Official or Private Sector Counterparty (defined below), including a person actually known to be an immediate family member of such parties, in order to improperly influence or reward any action or decision by such person for the Firm's benefit.

Neither funds from the Firm nor funds from any other source may be used to make any such payment or gift on behalf of or for the Firm's benefit.

A. INTERACTION WITH PUBLIC OFFICIALS

The U.S. Foreign Corrupt Practices Act (also referred to as the "FCPA") is a U.S. federal law that generally prohibits the bribery of foreign officials (also referred to as "Public Officials"), directly or indirectly, by any individual, business entity or employee of any such entity for the purpose of obtaining or retaining business and/or gaining an unfair advantage.

"Public Official", for purposes of this Policy, includes any person who is employed full- or part-time by a government, or by regional subdivisions of governments, including states, provinces, districts, counties, cities, towns and villages or by independent agencies, state-owned businesses, state- controlled businesses or public academic institutions. This would include, for example, employees of sovereign wealth funds, government-sponsored pension plans (i.e. pension plans for the benefit of government employees), heads of state, lower level employees of state-controlled businesses and government-sponsored university endowments. "Public Official" also includes political party officials and candidates for political office. For example, a campaign contribution is the equivalent of a payment to a Public Official under the FCPA. In certain cases, providing a payment or thing of value to a person actually known to be an immediate family member of a Public Official or a charity associated with a Public Official may be the equivalent of providing a thing of value to the Public Official directly.

Under the FCPA, the employees of public international organizations, such as the African and Asian Development Banks, the European Union, the International Monetary Fund, the United Nations, and the Organization of American States, are considered Public Officials.

In April 2010, the United Kingdom, passed its own anti-bribery law, the Bribery Act 2010 (the "Bribery Act"). However, the law went further than the FCPA, prohibiting not only bribery of "foreign public officials" but also the bribery of private parties. Further, the Bribery Act, unlike the FCPA, prohibits "passive" bribery or the acceptance of bribes, in addition to "active" bribery, or giving a bribe.

The OFS Adviser Anti-Corruption Policy is applicable to all OFS Adviser employees, regardless of their country of citizenship or residency. Although the FCPA and the Bribery Act are the principal anti-bribery statutes applicable to OFS Adviser and its employees worldwide, OFS Adviser and its employees are also subject to the applicable anti-bribery laws of all jurisdictions in which they do business and any jurisdictions involved in OFS Adviser's cross-border transactions. OFS Adviser employees who are not U.S. or U.K. citizens or residents may also be subject to anti-bribery laws of their countries of citizenship or residency, as applicable.

Prior to transacting business (including merger and acquisition transactions and the retention of certain third parties) outside the U.S. or U.K., you should consult with the CCO or Chief Legal Officer or local counsel to obtain the applicable policies, requirements and procedures pertinent to complying with the applicable anti-bribery laws of such jurisdictions.

B. INTERACTION WITH PRIVATE SECTOR COUNTERPARTY REPRESENTATIVES

OFS employees should be sensitive to anti-corruption issues in their dealings directly or indirectly, with Private Sector Counterparty Representatives. A Private Sector Counterparty Representative is an owner, employee, or representative of a private entity, such as a partnership or corporation, with which OFS Adviser is conducting or seeking to conduct business. Individuals affiliated with current and prospective clients, joint venture partners and service providers and other third parties in such a capacity are all "Private Sector Counterparty Representatives".

Bribery concerns may arise in connection with your day-to-day interactions with Private Sector Counterparty Representatives, regarding, for example, the offering of investment opportunities or the solicitation of OFS Adviser business by service providers. It is important to be mindful of the anti-bribery laws and to avoid any action that may give the appearance of bribery in your dealings with such individuals. While you may engage in the exchange of gifts, meals and entertainment with Private Sector Counterparty Representatives in the normal and routine course of business, it is important that you adhere to this Policy and to the Gifts and Entertainment Policy of this Code to avoid running afoul of the anti-corruption laws.

C. RETENTION OF CERTAIN THIRD PARTIES

Payments by OFS Adviser to Third Parties raise special concerns under the FCPA, Bribery Act and any other applicable anti-bribery laws. A "Third Party" is defined as any consultant, investor, joint venture partner, local partner, broker, agent or other third party retained or to be retained by OFS Adviser for purposes of dealing with a Public Official or a Private Sector Counterparty Representative on behalf of OFS Adviser or where the contemplated services are likely to involve business-related interactions with a Public Official or Private Sector Counterparty Representative on behalf of OFS on

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behalf of OFS Adviser or where the contemplated services are likely to involve business-related interactions with a Public Official or Private Sector Counterparty Representative on behalf of OFS Adviser. Because of the risk that a Third Party may seek to secure business for OFS Adviser or its Advisory Clients through violations of the FCPA or Bribery Act and that OFS Adviser or its Advisory Client's Portfolio Companies may be subject to liability under the FCPA or Bribery Act as a result, any agreement with a Third Party that

is engaged to do business with OFS Adviser is subject to specific due diligence and contractual requirements to assure compliance with the Firm's Anti-Corruption Policy.

D. PRE-APPROVAL, REPORTING, DUE DILIGENCE AND CONTRACTUAL REQUIREMENTS

Unless otherwise authorized by the CCO or a Compliance Officer, you are required to adhere to the following policies and procedures, designed to facilitate your compliance with applicable anti- bribery laws.

You must submit a preclearance request and obtain pre-approval for the following types of expenses and contributions:

- Gifts and entertainment, including food and beverages, travel, or lodging or anything of value provided to a Public Official or a person known to be an immediate family member or guest of a Public Official;
- Charitable contributions made on behalf of OFS Adviser and/or its affiliated operating entities
- Charitable contributions made in an individual capacity or on behalf of OFS Adviser at the request of or for the benefit of a Public Official; and
- Any political contributions.

Preclearance requests should be submitted via the Firm's compliance portal.

E. REPORTING OBLIGATIONS

On a quarterly basis, you must certify to all previously approved and/or disclosed political contributions, charitable contributions, items to Public Officials and all gifts and entertainment received, as specified above. Certification must be made via the Firm's compliance portal.

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VII. ACCEPTABLE USE POLICY

OFS' Acceptable Use Policy is hereby incorporated into this Code by reference. Supervised Persons are required to fully comply with all policies, procedures and certification and training requirements associated with the OFS Acceptable Use Policy, and any instance of non-compliance will likely constitute a violation of this Code. The Acceptable Use Policy is available to all Supervised Persons on the Firm's public network drive and compliance portal.

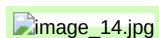
VIII. PERSONAL USE OF FIRM RESOURCES AND RELATIONSHIP POLICY

OFS email and other OFS-sponsored communication mediums (e.g., Skype for Business) (collectively, "OFS communication platforms") should generally only be used for conducting OFS business. While occasional use of OFS email for personal communications is permissible, Supervised Persons are prohibited from using OFS communication platforms to conduct personal outside business activities (including those involving political, civic or charitable solicitations), which may imply OFS's sponsorship or endorsement of such activities. Use of OFS stationary for personal correspondence or other personal purposes is strictly prohibited. All communications made via OFS communication platforms are the property of OFS and use of such platforms must comply with the OFS Computer Acceptable Use Policy.

Absent an exemption granted by Human Resources or Compliance, Supervised Persons are prohibited from assigning tasks associated with personal business activities to staff or soliciting assistance for such personal endeavors from staff in a junior role to the requestor.

Further, Supervised Persons are prohibited from leveraging relationships with OFS clients, vendors, and other business contacts ("OFS Contacts") gained over the course of their employment for personal purposes. Personal purposes include, but are not limited to, charitable and political activities, including solicitation of donations, and the conduct of personal business activities.

OFS reserves the right to search and monitor the computer files of and OFS communication platforms used by any Supervised Persons, without advance notice, for purposes of monitoring compliance with this policy.

**ATTACHMENTS****Whistleblower Information.....Attachment A**

The listed attachment is also available on OFS Adviser's public network drive and compliance portal, or from the Compliance Department.

ATTACHMENT A**Whistleblower Hotline Information**

Effective whistleblowing mechanisms to mitigate bribery and corruption issues are a key feature in our commitment to a high level of integrity and ethics. As part of our Whistleblower Policy, we have established a third-party confidential hotline, Report It. This hotline enables you and external parties, including our suppliers and vendors, to confidentially, and anonymously if preferred, report (i) any questionable accounting, internal accounting controls or auditing matters; (ii) non-compliance with applicable legal or regulatory requirements or this Code or any suspected violation(s) of our various codes of conduct; (iii) any activity that may adversely affect the Firm's business or reputation; (iv) any ESG-related concerns or violations; (v) retaliation against employees and other persons who make in good faith, allegations of (a) questionable accounting, internal accounting controls or auditing matters or (b) non-compliance with applicable legal or regulatory requirements or this Code.

Although we encourage you to report any concerns or problems you may have to your supervisor, there may be times where you may not feel comfortable voicing these concerns or problems to them. If you desire or need to report a violation or misconduct, you can do so by either calling the Report It hotline or by logging into their website. The OFS Report It username and password information is listed below.

- **Username: OFS Management**
 - **Password: OFS Management**
1. Toll free hotline number: 1-877-778-5463 (1-877-RPT-LINE)
 2. Website address: www.reportit.net
 - a. Click on the Report It Online link
 - b. Click on the Report It Now button
 - c. Type the Username/Password under the "Create Report" column
 - d. Click on the Report It Now button

You will be able to anonymously file a wide variety of reports from questionable accounting or auditing matters or issues with the Code of Ethics through either the website or the toll-free hotline number. Any report that you submit will be handled anonymously by Report It, and your name will not be provided by Report It to any OFS contact should you so choose to remain anonymous. We hope that by implementing this hotline service, you will be able to keep our organization free from fraudulent and unethical accounting/auditing activity while achieving our goal to maintain and conduct our business at the utmost level of professional standards and best practices.

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ATTACHMENT B**Automated Investment Plan (AIP) Preclearance Form**

Employee Name: _____

Account Name/Type: _____

Account Number: _____

Date of First Investment(s): _____

mm/dd/yyyy

List Security(ies) in

AIP

(for each security
indicate
frequency and
dollar
amount):

Attestations

- I certify that I do not possess material non-public information ("MNPI") directly related to the Securities of this issuer or indirectly related to another issuer (for example, Securities of an issuer in the same industry) which one may reasonably expect to be material to this investment.
- If approved, I certify that I will not make any changes to the existing AIP prior to obtaining preclearance. The preclearance approval is specific to the details outlined above only and any changes to this AIP will require an additional preclearance.
- I certify that I will notify Compliance upon termination of this or any other disclosed AIP.

Exhibit 31.1

Certification of Chief Executive Officer

I, Bilal Rashid, Chief Executive Officer of OFS Capital Corporation certify that:

1. I have reviewed this quarterly report on Form 10-Q of OFS Capital Corporation (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated this 1st/31st day of August, October, 2024.

By: _____

/s/ Bilal Rashid

Bilal Rashid

Chief Executive Officer

Exhibit 31.2

Certification of Chief Financial Officer

I, Jeffrey A. Cerny, Chief Financial Officer of OFS Capital Corporation certify that:

1. I have reviewed this quarterly report on Form 10-Q of OFS Capital Corporation (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Dated this 1st/31st day of August, October, 2024.

By: _____

/s/ Jeffrey A. Cerny

Jeffrey A. Cerny

Chief Financial Officer

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Certification of Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350 , as adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the period ended **June 30, 2024** **September 30, 2024** (the "Report") of OFS Capital Corporation (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Bilal Rashid, the Chief Executive Officer of the Registrant, hereby certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Name:	/s/ Bilal Rashid
Date:	Bilal Rashid
	August 1, October 31, 2024

Certification of Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350 , as adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q for the period ended **June 30, 2024** **September 30, 2024** (the "Report") of OFS Capital Corporation (the "Registrant"), as filed with the Securities and Exchange Commission on the date hereof, I, Jeffrey A. Cerny, the Chief Financial Officer of the Registrant, hereby certify, to the best of my knowledge, pursuant to 18 U.S.C. Section 1350, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

Name:	/s/ Jeffrey A. Cerny
Date:	Jeffrey A. Cerny
	August 1, October 31, 2024

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