



OFS

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

NASDAQ: OCCI (common stock)

NASDAQ: OCCIN and OCCIO (preferred stock)

Investor Presentation  
June 2022

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**OFS** is a brand name and is meant to include Orchard First Source Asset Management, LLC, its direct or indirect subsidiaries, including OFS Capital Management, LLC and OFS CLO Management, LLC, which are registered investment advisers, OFS Capital Corporation, a publicly traded business development company (NASDAQ "OFS"), OFS Credit Company, Inc., a publicly traded registered closed end fund (NASDAQ "OCCI"), and their predecessor entities.

**CIM Assets Owned and Operated** represents the aggregate assets owned and operated by CIM on behalf of partners (including where CIM contributes alongside for its own account) and co investors, whether or not CIM has discretion, in each case without duplication.

Please note, changes in global, national, regional or local economic, demographic or capital market conditions (including as a result of the coronavirus (COVID 19) pandemic that began in the fourth quarter of 2019, the conflict between Russia and the Ukraine and other factors) has, and may continue to have, a significant negative impact on our business financial condition, results of operations and cash flows and those of our portfolio companies, including our and their ability to achieve our respective objectives.

## Overview

- » OCCI is a Nasdaq listed closed-end fund that primarily invests in CLO equity and debt securities
- » Per share Net Asset Value of \$12.44 as of April 30, 2022

## Advisor

- » OFS was established in 1994 and has \$3.1 billion of assets under management<sup>1</sup>
- » Focused on: (1) structuring and investing in CLO equity and subordinated debt; (2) managing CLOs (investing in broadly syndicated loans financed through CLOs); and (3) direct loan origination

## Alignment of Interest

- » As of April 30, 2022, insiders own ~7.7% of OCCI's common shares

## CLOs are an attractive asset class

- » Collateralized by floating rate loans of large, U.S.-based corporations
- » Diversified by a large number of distinct underlying borrowers across various industry sectors with varying vintages
- » Financed with matched funding (meaning that investments are planned to correspond to the timing of payments on financing)

## Historical Dividends

- » Annual Distribution of \$2.20<sup>2,3</sup>
- » ~\$7.98 of distributions since October 2018 IPO

## Why OFS and OCCI?

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

OFS is an Experienced CLO Equity Investor

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

OFS has a Strong Balance Sheet and Low Leverage

<sup>1</sup> As of March 31, 2022. Includes both OFS Capital Management, LLC, and its affiliated registered investment adviser, OFS CLO Management, LLC. | <sup>2</sup> Reflects annualized distribution rate on the most recent \$0.55 per share distribution declared on the shares of common stock by the Board for the fiscal quarter ending July 31, 2022. The distribution is payable in cash or shares of our common stock on July 29, 2022 at the election of stockholders, to stockholders of record as of June 13, 2022. The total amount of cash distributed to all stockholders will be limited to 20% of the total distribution, excluding any cash paid for fractional shares. The remainder of the distribution (approximately 80%) will be paid in the form of shares of our common stock. The exact distribution of cash and stock to any given stockholder will be dependent upon his/her/its election as well as elections of other stockholders, subject to the pro-rata limitation. | <sup>3</sup> Return-of-capital distributions represented 92.6% of our fiscal year 2021 distributions. This information is not for tax reporting purposes; each common stockholder, if required, will receive a Form 1099-DIV following the end of each calendar year, which will reflect the actual amounts of taxable ordinary income, capital gains and return of capital paid by us for that calendar year. Past performance is not indicative of future results, and distributions are not guaranteed.

# Second Fiscal Quarter 2022 Highlights<sup>1</sup>

- » Net investment income (“NII”) of \$3.1 million, or \$0.38 per common share, for the fiscal quarter ended April 30, 2022. This compares to NII of \$0.33 per common share for the fiscal quarter ended January 31, 2022. Per common share Net Asset Value of \$12.44 as of April 30, 2022.
- » Core net investment income (“Core NII”)<sup>2</sup> of \$7.8 million, or \$0.97 per common share, for the fiscal quarter ended April 30, 2022. This compares to Core NII of \$6.0 million, or \$0.78 per common share, for the fiscal quarter ended January 31, 2022.
- » On June 1, 2022, OFS Credit’s board of directors declared a quarterly distribution of \$0.55 per share of common stock for the fiscal quarter ending July 31, 2022. The distribution is payable on July 29, 2022 in cash or shares of our common stock to stockholders of record as of June 13, 2022. The total amount of cash distributed to all stockholders will be limited to 20% of the total distribution, excluding any cash paid for fractional shares.
- » As of April 30, 2022, the weighted average GAAP effective yield of our investment portfolio at current cost was 15.15%.

	<b>Fiscal Quarter Ended (unaudited)</b>	
	<b>4/30/2022</b>	<b>1/31/2022</b>
<b>Net Investment Income Per Share</b>		
Net investment income per share	\$ 0.38	\$ 0.33
<b>Net Realized/Unrealized Gain (Loss) Per Share</b>		
Loss on redemption of preferred stock per share	\$ -	\$ (0.05)
Net change in unrealized depreciation on investments per share <sup>3</sup>	(1.10)	-
Net gain (loss) per share	\$ (1.10)	\$ (0.05)
<b>Earnings (Loss) Per Share</b>		
Earnings (loss) per share	\$ (0.72)	\$ 0.28
<b>Core Net Investment Per Share</b>		
Net investment income per share	\$ 0.38	\$ 0.33
CLO equity adjustments	0.59	0.45
Core net investment income per share	<u>\$ 0.97</u>	<u>\$ 0.78</u>
<b>Distribution Data</b>		
Distributions paid per share	\$ 0.55	\$ 0.55

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

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

3. Amount for the quarter ended April 30, 2022 rounds to less than a \$0.01 per share.

- » **We believe CLO equity has the potential to generate higher quarterly cash distributions relative to other high-yielding credit investments**
  - CLOs primarily invest in a diversified pool of loans to large, rated U.S. corporations
  - Generally, first lien senior secured
  - Floating rate loans and liabilities providing natural hedge in a changing rate environment
  - Deep asset class with ~\$636 billion of CLOs outstanding<sup>1</sup>
- » **Access to infrastructure and resources of large platform**
  - OFS Capital Management is focused on investing in corporate credit and has \$3.1 billion in assets under management<sup>2</sup>
  - Senior management has worked together for over 10 years
- » **OFS Capital Management is uniquely positioned to manage OFS Credit Company**
  - OFS Capital Management has dual experience as both a CLO equity investor (structuring expertise) and CLO manager (deep knowledge of underlying senior secured corporate loans)
  - OFS has managed CLOs since its inception and has invested over \$18 billion in more than 8,100 transactions primarily through CLO vehicles<sup>3</sup>

1. Source: SIFMA, as of December 31, 2021.

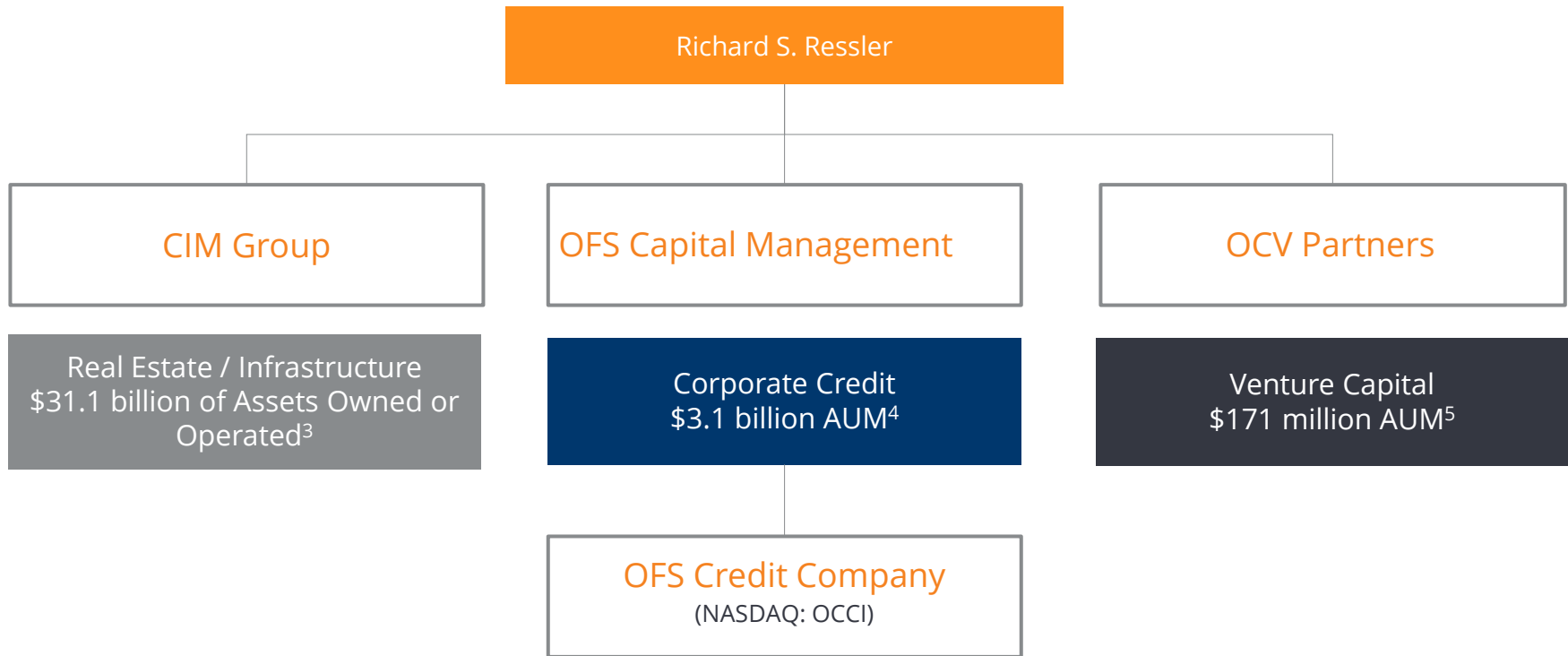
2. As of March 31, 2022. Includes both OFS Capital Management, LLC, and its affiliated registered investment adviser, OFS CLO Management, LLC.

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



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

- » OFS is part of a group of affiliated firms controlled by Richard Ressler that own, operate and manage more than \$34 billion of real assets and corporate credit
- » Since 1994, OFS Capital Management<sup>2</sup> has invested over \$18 billion in more than 8,100 transactions and has offices in Chicago, Los Angeles and New York City



<sup>1</sup> Despite Mr. Ressler's involvement in each, none of CIM, OFS, or Orchard Capital Ventures has the benefit of any cross-guarantee. None of these entities are entitled to draw on the capital of any other, and no guarantee of the liabilities of any such entity by any other such entity should be inferred from their relationship.

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

<sup>3</sup> As of December 31, 2021. See Important Disclosures on page 1.

<sup>4</sup> As of March 31, 2022.

<sup>5</sup> As of December 31, 2021.

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

## OFS

\$3.1 Billion  
Assets Under Management<sup>1</sup>

### Middle Market Lending

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

### Structured Credit Investing

- » Structure and invest in CMBSS, CLO equity and debt
- » Publicly traded closed-end fund, OFS Credit Company, Inc. (NASDAQ: "OCCI")
- » SMAs/Sub-advised accounts

### Broadly Syndicated Loans

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

### OFS Platforms

**BDCs**

**Closed-end Listed Fund**

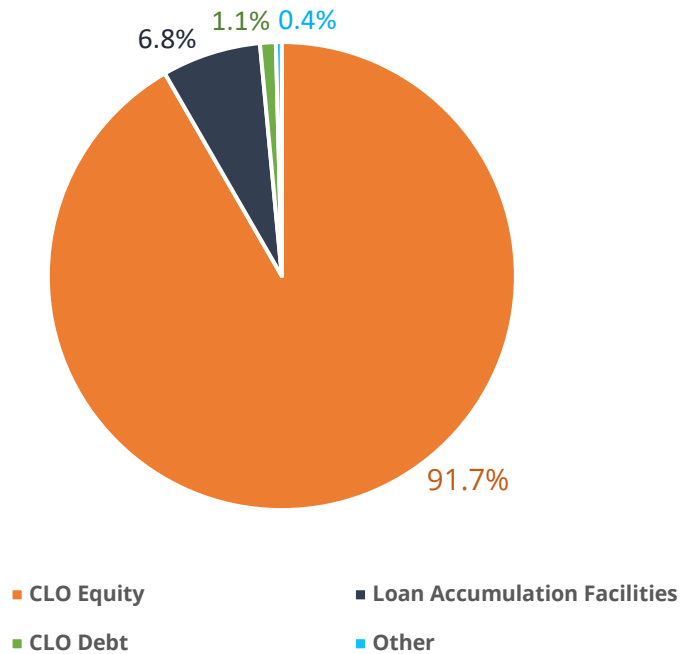
**SMAs/Sub-advised accounts**

**CLO Facilities**

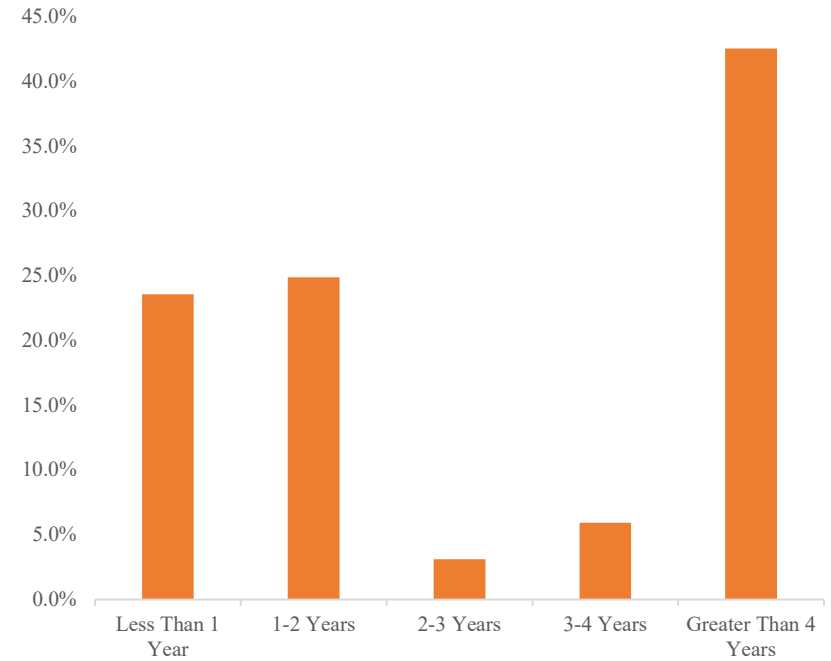
1. As of March 31, 2022. Includes both OFS Capital Management, LLC, and its affiliated registered investment adviser, OFS CLO Management, LLC.

# Portfolio Composition and Years of Reinvestment

Portfolio Composition<sup>1</sup>



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



1. Based on fair value as of April 30, 2022. Excludes cash.

2. Weighted by par as of April 30, 2022. Includes estimated reinvestment end dates for warehouse investments and unsettled trades.



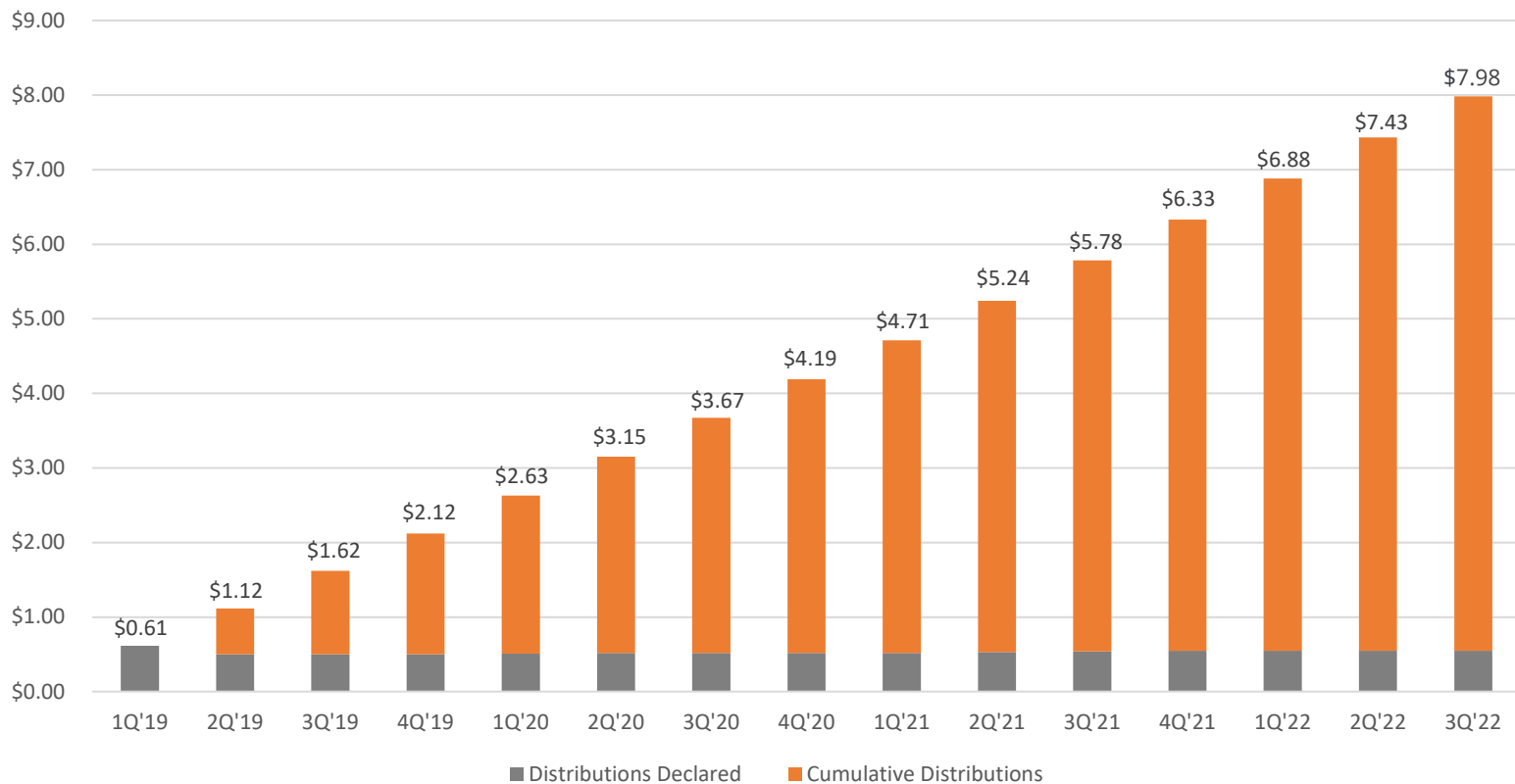
	Three Months Ended (unaudited)				
	4/30/2022	1/31/2022	10/31/2021	7/31/2021	4/30/2021
<b>Select Portfolio Funds Roll Data</b>					
Beginning investment balance at cost	\$ 174,751,480	\$ 156,783,483	\$ 140,366,567	\$ 110,871,199	\$ 82,238,241
Portfolio purchases	18,957,193	23,982,450	34,194,421	46,940,098	30,492,293
Portfolio sales/repayments	(14,400,023)	(2,500,000)	(15,500,000)	(15,500,000)	-
Accretion / amortization	5,371,471	5,371,798	4,680,459	3,916,699	2,758,851
Waterfall payments	(10,076,812)	(8,886,251)	(6,957,964)	(5,861,429)	(4,618,186)
Ending investment balance at cost	\$ 174,603,309	\$ 174,751,480	\$ 156,783,483	\$ 140,366,567	\$ 110,871,199

	Three Months Ended (unaudited)				
	4/30/2022	1/31/2022	10/31/2021	7/31/2021	4/30/2021
<b>Investment Mix - Based on Fair Value</b>					
CLO equity	\$ 145,439,674	\$ 144,815,032	\$ 140,444,196	\$ 130,499,910	\$ 88,112,378
CLO debt	1,728,455	1,745,243	1,753,959	1,754,193	1,754,193
Loan accumulation facilities	10,850,000	20,450,000	7,000,000	-	10,518,123
Other	647,618	643,366	476,817	-	-
Total Investments	\$ 158,665,746	\$ 167,653,641	\$ 149,674,972	\$ 132,254,103	\$ 100,384,694

\$7.98 per share in distributions declared since inception<sup>1,2</sup>

Average quarterly distribution of \$0.53<sup>1,2</sup>

### Cumulative Distributions<sup>1,2</sup>

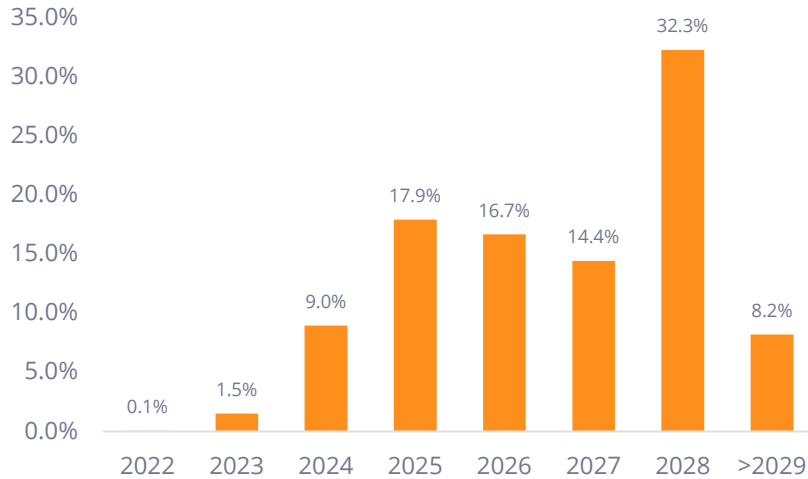


1. Distributions are not guaranteed. Past performance is not indicative of future results.

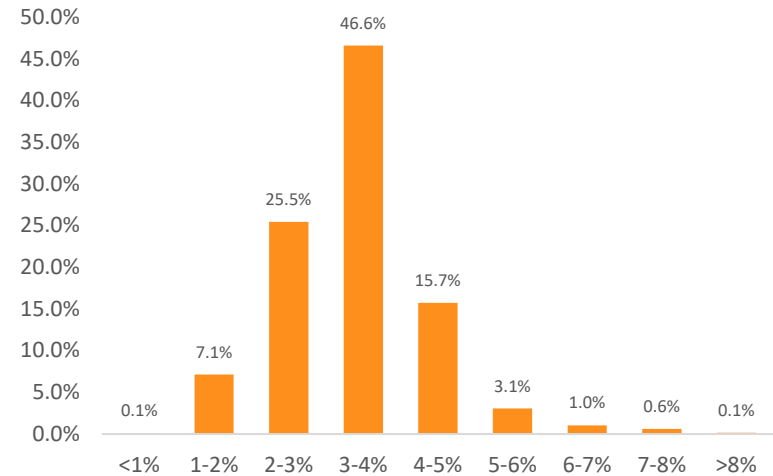
2. Includes most recent distribution declared on June 1, 2022.

# Underlying Portfolio Characteristics

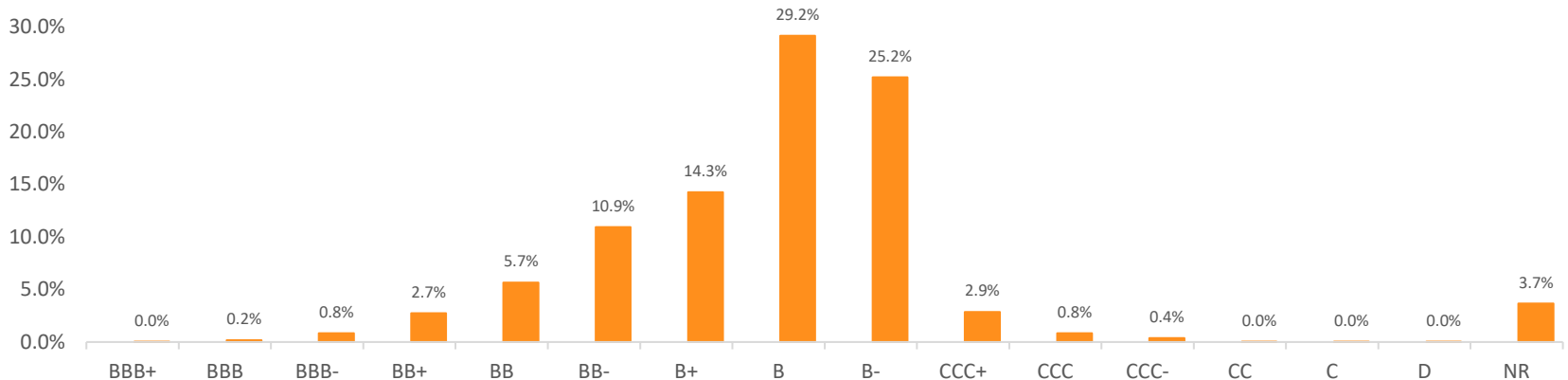
**Maturity Distribution of Underlying Obligors<sup>1,2</sup>**



**Spread Distribution of Underlying Obligors<sup>1,2</sup>**



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



1. Based on the issuers' most recently reported positions as of April 30, 2022 and weighted by par value as of April 30, 2022.  
 2. Source – CLO trustee reports as reported by Intex.

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

## Top 10 Industries of Underlying Obligators

Moody's Industry Name	04/30/2022 % of Total	01/31/2022 % of Total
Healthcare & Pharmaceuticals	10.6%	10.8%
High Tech Industries	10.0%	10.2%
Services: Business	9.2%	9.4%
Banking, Finance, Insurance & Real Estate	8.4%	9.1%
Media: Broadcasting & Subscription	5.1%	5.4%
Chemicals, Plastics & Rubber	4.7%	4.5%
Hotel, Gaming & Leisure	4.4%	4.5%
Construction & Building	4.1%	4.1%
Telecommunications	3.9%	3.8%
Services: Consumer	3.9%	4.1%
<b>Total</b>	<b>64.3%</b>	<b>65.9%</b>

## Top 10 Underlying Obligators

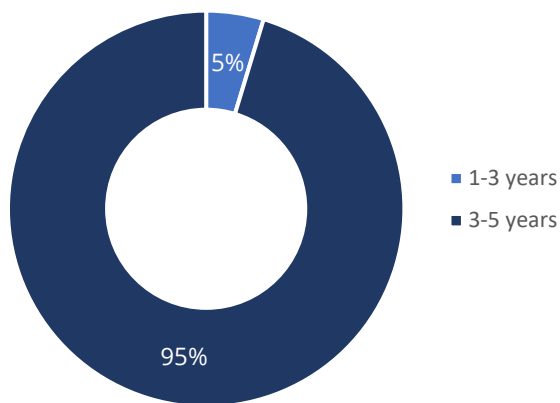
Obligor	04/30/2022 % of Total	01/31/2022 % of Total
Asurion	0.7%	0.7%
Altice Sfrfp	0.7%	0.7%
Centurylink	0.6%	0.6%
Transdigm	0.6%	0.6%
McAfee	0.6%	0.5%
Cablevision Systems	0.5%	0.5%
Peraton	0.5%	0.5%
American Airlines	0.4%	0.5%
Calpine	0.4%	0.4%
Global Medical Response	0.4%	0.4%
<b>Total</b>	<b>5.4%</b>	<b>5.4%</b>

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

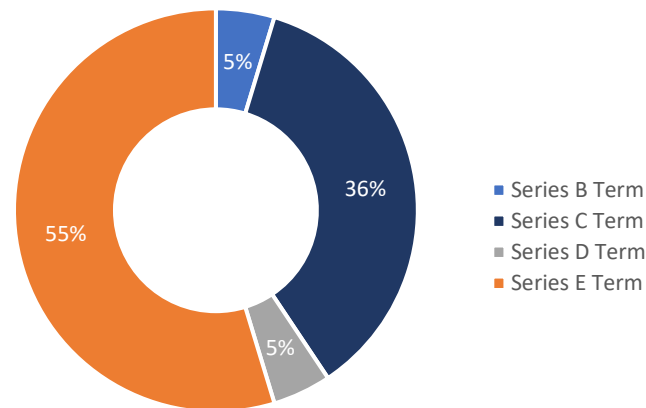
# Debt Capital Summary as of April 30, 2022

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

**Debt Mix by Remaining Legal**



**Preferred Stock by Series<sup>1</sup>**



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

# OFS

Appendices



Experienced management team that has underwritten through multiple business cycles.

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

<p><b>Bilal Rashid</b></p>	<ul style="list-style-type: none"> <li>» President and Senior Managing Director of OFS Capital Management</li> <li>» Chairman, President and Chief Executive Officer of OCCI</li> </ul>	<ul style="list-style-type: none"> <li>» 25+ years of experience (10+ with OFS)</li> <li>» Formerly Head of Global Structured Credit At Merrill Lynch, which included CLO team</li> <li>» Actively involved in originating, structuring and managing CLOs throughout career</li> </ul>
<p><b>Jeff Cerny</b></p>	<ul style="list-style-type: none"> <li>» Senior Managing Director of OFS Capital Management</li> <li>» Director and Chief Financial Officer of OCCI</li> </ul>	<ul style="list-style-type: none"> <li>» 30+ years experience (20+ with OFS)</li> <li>» Actively involved in structuring and managing CLOs since 2000</li> </ul>
<p><b>Glen Ostrander</b></p>	<ul style="list-style-type: none"> <li>» Managing Director of OFS Capital Management – Structured Credit Portfolio Manager</li> </ul>	<ul style="list-style-type: none"> <li>» 25+ years of experience (10+ with OFS)</li> <li>» Previously worked in Structured Credit group at Merrill Lynch</li> <li>» Actively involved in originating, structuring and managing CLOs throughout career</li> </ul>
<p><b>Ken Brown</b></p>	<ul style="list-style-type: none"> <li>» Managing Director of OFS Capital Management – Broadly Syndicated Loan Portfolio Manager</li> </ul>	<ul style="list-style-type: none"> <li>» 25+ years experience (15+ with OFS)</li> <li>» Previously Vice President at GE Antares Capital</li> <li>» Actively involved in managing CLOs since 2011</li> </ul>

# Condensed Consolidated Balance Sheets

	Fiscal Quarter Ended				
	4/30/2022 (Unaudited)	1/31/2022 (Unaudited)	10/31/2021 (Audited)	7/31/2021 (Unaudited)	4/30/2021 (Unaudited)
<b>Assets</b>					
Investments, at fair value	\$ 158,665,746	\$ 167,653,641	\$ 149,674,972	\$ 132,254,103	\$ 100,384,694
Cash	8,307,589	6,001,823	14,995,759	14,418,286	25,374,134
Other assets	528,465	861,582	538,297	272,349	717,652
<b>Total assets</b>	<b>\$ 167,501,800</b>	<b>\$ 174,517,046</b>	<b>\$ 165,209,028</b>	<b>\$ 146,944,738</b>	<b>\$ 126,476,480</b>
<b>Liabilities</b>					
Preferred stock, net	\$ 62,075,746	\$ 62,041,336	\$ 49,025,340	\$ 48,951,758	\$ 45,989,564
Payable to adviser and affiliates	1,740,645	2,351,677	2,006,746	1,613,838	1,283,661
Payable for investments purchased	-	-	5,898,563	1,407,250	2,392,250
Other liabilities	408,917	381,298	177,384	143,534	228,284
<b>Total liabilities</b>	<b>64,225,308</b>	<b>64,774,311</b>	<b>57,108,033</b>	<b>52,116,380</b>	<b>49,893,759</b>
<b>Net Assets</b>	<b>103,276,492</b>	<b>109,742,735</b>	<b>108,100,995</b>	<b>94,828,358</b>	<b>76,582,721</b>
<b>Total liabilities and net assets</b>	<b>\$ 167,501,800</b>	<b>\$ 174,517,046</b>	<b>\$ 165,209,028</b>	<b>\$ 146,944,738</b>	<b>\$ 126,476,480</b>
Number of shares outstanding	8,300,744	7,999,063	7,719,307	6,738,801	5,485,615
Net asset value per share	\$ 12.44	\$ 13.72	\$ 14.00	\$ 14.07	\$ 13.96
Preferred stock / net assets	0.62x	0.57x	0.45x	0.52x	0.60x

# Condensed Consolidated Statements of Operations

OFS CREDIT

	Fiscal Quarter Ended (unaudited)				
	<u>4/30/2022</u>	<u>1/31/2022</u>	<u>10/31/2021</u>	<u>7/31/2021</u>	<u>4/30/2021</u>
<b>Investment income</b>					
Interest Income	\$ 6,035,687	\$ 5,832,491	\$ 5,673,943	\$ 4,357,533	\$ 2,770,200
<b>Expenses</b>					
Interest Expense	1,023,689	982,344	899,290	888,024	478,339
Management fees	737,356	766,245	699,185	639,571	544,810
Administrative fees	256,075	550,130	316,066	320,316	238,480
Professional fees	260,347	199,362	171,920	189,549	227,132
Other general & administrative expenses	172,580	171,259	105,858	302,201	148,189
Total expenses	<u>2,450,047</u>	<u>2,669,340</u>	<u>2,192,319</u>	<u>2,339,661</u>	<u>1,636,950</u>
Pre-incentive fee net investment income	3,585,640	3,163,151	3,481,624	2,017,872	1,133,250
Incentive fee	524,557	632,630	697,096	403,267	84,019
Net investment income	<u>3,061,083</u>	<u>2,530,521</u>	<u>2,784,528</u>	<u>1,614,605</u>	<u>1,049,231</u>
Loss on redemption of preferred stock		10,673	-	-	-
Net unrealized appreciation (depreciation) on investments	(8,839,723)	(384,729)	1,003,951	2,374,041	378,679
Net increase (decrease) in net assets resulting from operations	<u>\$ (5,778,640)</u>	<u>\$ 2,156,465</u>	<u>\$ 3,788,479</u>	<u>\$ 3,988,646</u>	<u>\$ 1,427,910</u>
Weighted average shares outstanding	8,010,783	7,727,745	7,309,520	6,171,012	4,218,242
<b>Earnings per share</b>					
Net investment income per common share	\$ 0.38	\$ 0.33	\$ 0.38	\$ 0.26	\$ 0.25
Net gain (loss) on investments and redemption of preferred stock per common share	(1.10)	(0.05)	0.14	0.38	0.09
Net income (loss) per share	<u>\$ (0.72)</u>	<u>\$ 0.28</u>	<u>\$ 0.52</u>	<u>\$ 0.64</u>	<u>\$ 0.34</u>

## Supplemental Schedule - Core Net Investment Income

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

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

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

The following table provides a reconciliation of GAAP NII to Core NII for the fiscal quarters ended April 30, 2022 and January 31, 2022:

	<b>Fiscal Quarter Ended</b>			
	<b>April 30, 2022</b>		<b>January 31, 2022</b>	
	<b>Amount</b>	<b>Per Share</b>	<b>Amount</b>	<b>Per Share</b>
Net investment income per share	\$ 3,061,084	\$ 0.38	\$ 2,530,521	\$ 0.33
CLO equity adjustments	4,706,825	0.59	3,517,514	0.45
Core net investment income per share	<u>\$ 7,767,909</u>	<u>\$ 0.97</u>	<u>\$ 6,048,035</u>	<u>\$ 0.78</u>