

FSK | FS KKR Capital Corp.

FS KKR Capital Corp.

(NYSE: FSK)

Debt Investor Presentation

November 2022

All information is as of September 30, 2022 unless otherwise noted



FS KKR ADVISOR & MARKET OVERVIEW

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FS/KKR Advisor: Overview



Size & Scale

- BDC totaling \$16.7bn in assets integrated within KKR's \$186bn credit platform
- Direct involvement of over 200 professionals including ~190 dedicated KKR Credit investment professionals

Market Reach

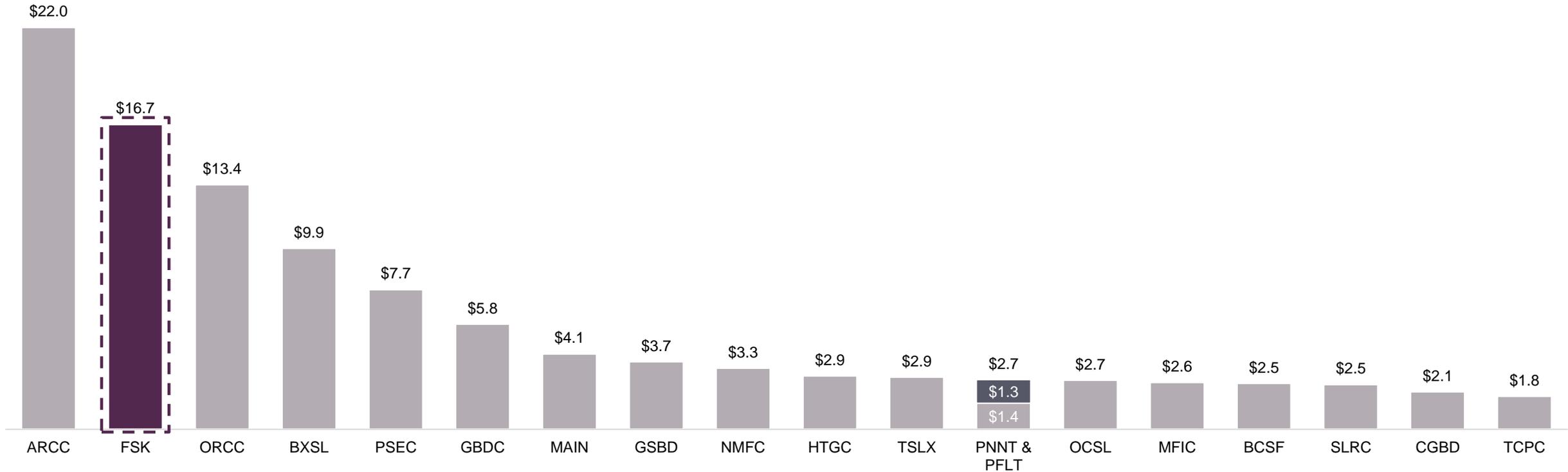
- Global financial sponsor and corporate borrower relationships
- Management and investment teams with significant industry experience

Scope

- Primarily focused on upper middle market companies (\$50–150mm+ in EBITDA)
- Focused on U.S. senior secured debt financings

FSK: A Leading BDC

Total Assets Under Management Ranked by Publicly Traded BDC Advisor/Manager (\$bn)



FSK is the second largest publicly traded BDC as measured by total assets

1. GBDC, OCSL, PNNT & PFLT as of June 30, 2022.

FS/KKR Advisor: Overview

Established April 2018

FS | KKR

KKR \$496bn AUM¹

KKR Credit (\$186bn AUM)¹

- ✓ Ability to commit in scale
- ✓ ~1,600 issuers across the KKR Credit platform
- ✓ ~190 dedicated investment professionals
- ✓ ~\$3.9bn of KKR balance sheet invested across KKR credit strategies²
- ✓ Ability to evaluate and commit across capital structures



\$35bn AUM¹

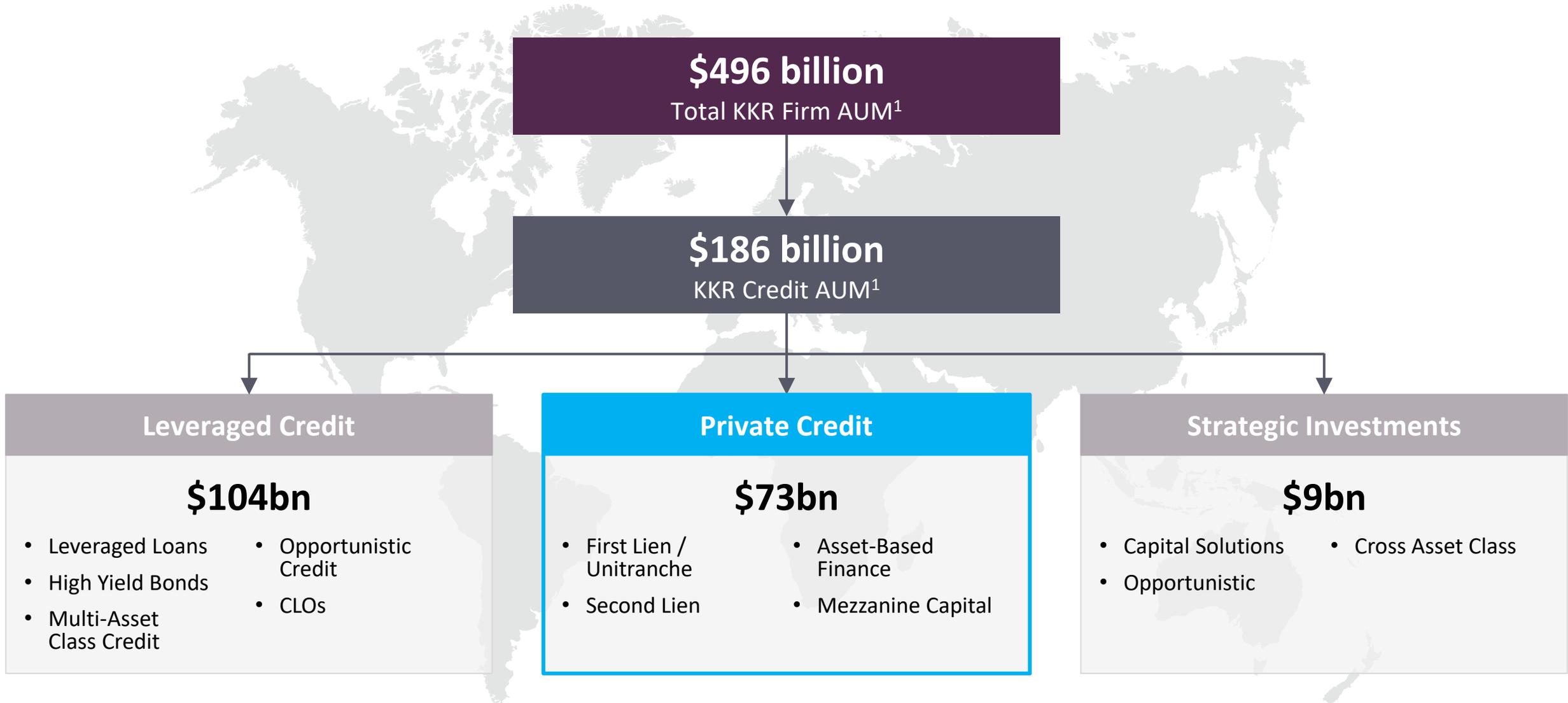
FS Investments

- ✓ Deep team with BDC industry operational experience since 2006
- ✓ Differentiated capital raising and fund management capabilities
- ✓ Industry leading corporate affairs / BDC industry lobbying efforts
- ✓ Industry leader in corporate governance and shareholder communications

1. Please see "Important Information" for a description of Assets Under Management calculation.

2. Includes legacy investments in KKR Financial Holdings LLC, a specialty finance vehicle listed on the New York Stock Exchange and various collateralized loan obligation vehicles. KKR balance sheet credit commitments include unfunded commitments as well as individual contributions.

KKR: Overview



1. Please see "Important Information" for a description of Assets Under Management calculation.

KKR Private Credit: Overview

\$73 billion
Private Credit AUM

25+

Investment Committee
Average Years of Experience

~110

Investment Professionals

Direct Lending

- Directly originated and privately negotiated senior secured loans
- Upper middle market corporate borrowers

Asset-Based Finance

- Investments backed by diverse pools of financial and hard assets
- Multi-sector / asset class approach

Mezzanine Capital

- Directly originated and privately negotiated subordinated debt financings

Broad Private Credit platform where size and scale matter

Control lender status across
~87% of investments¹

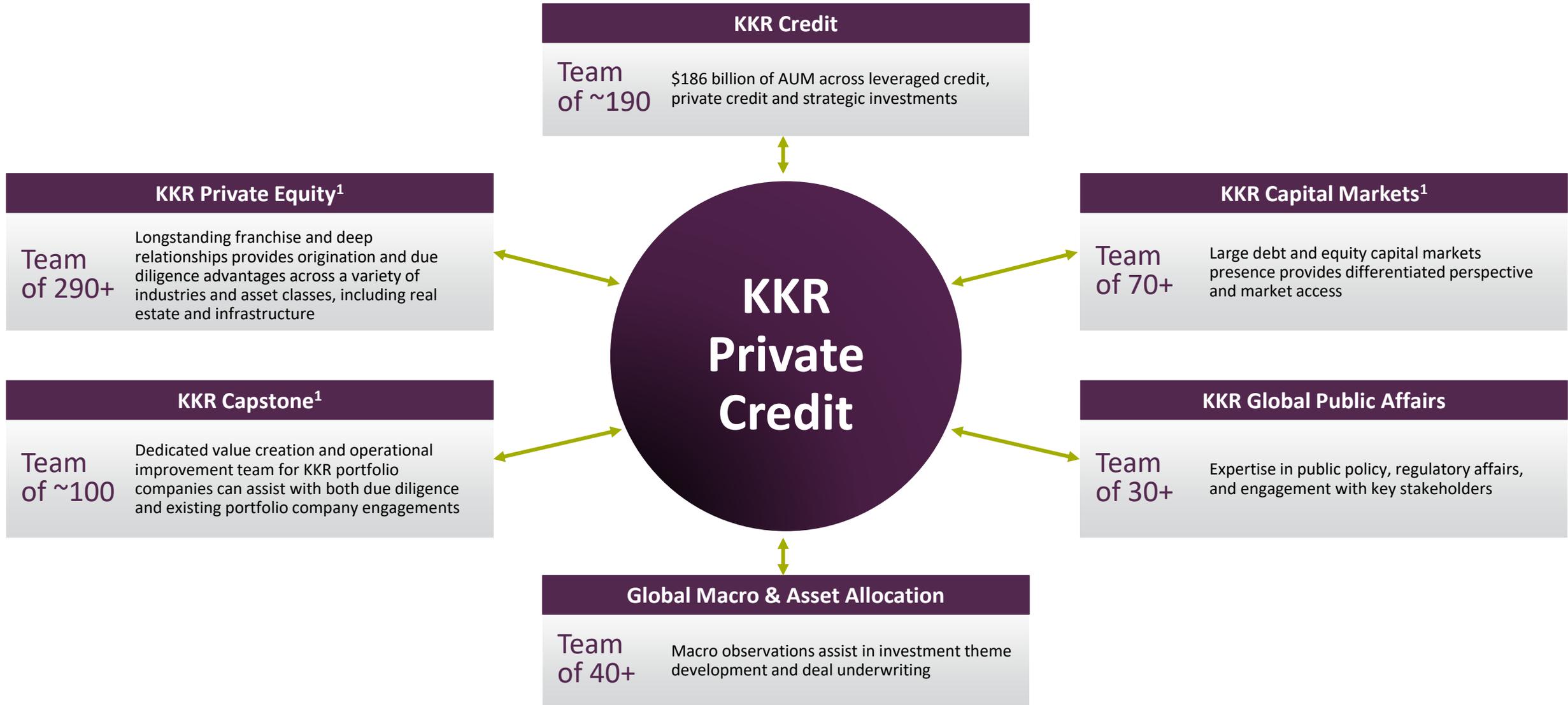
Integrated global resources and access
to KKR Credit 'library' of ~1,600 issuers

Strong alignment of interest with
~\$1.4 billion of KKR capital committed
to private credit strategies²

1. Based on weighted average KKR Credit role across in KKRLP III & KKRLP IV, excluding broadly syndicated loans. Controlling Lender Position includes Sole, Lead and Co-Lead roles.

2. Represents KKR balance sheet and employee commitment to KKR's private credit funds. Includes balance sheet and employee commitments across all private credit commingled, separately managed account, and BDC structures.

KKR Private Credit: Leverages the Broader Firm



1. Please see “Important Information” for additional disclosure regarding KKR’s internal information barrier policies and procedures, which may limit the involvement of certain personnel in some investment discussions.

KKR Private Credit: Key Attributes

Disciplined Investment Philosophy & Process

- “PE Style” due diligence standard
- Focus on downside and structural protections
- KKR Private Credit team fully leverages broader KKR resources

Differentiated Origination Capabilities

- Global, multi-channel origination footprint
- Range of capabilities allow us to be a total solutions provider
- Ability to exploit incumbent lender relationships
- Access to broad network of KKR

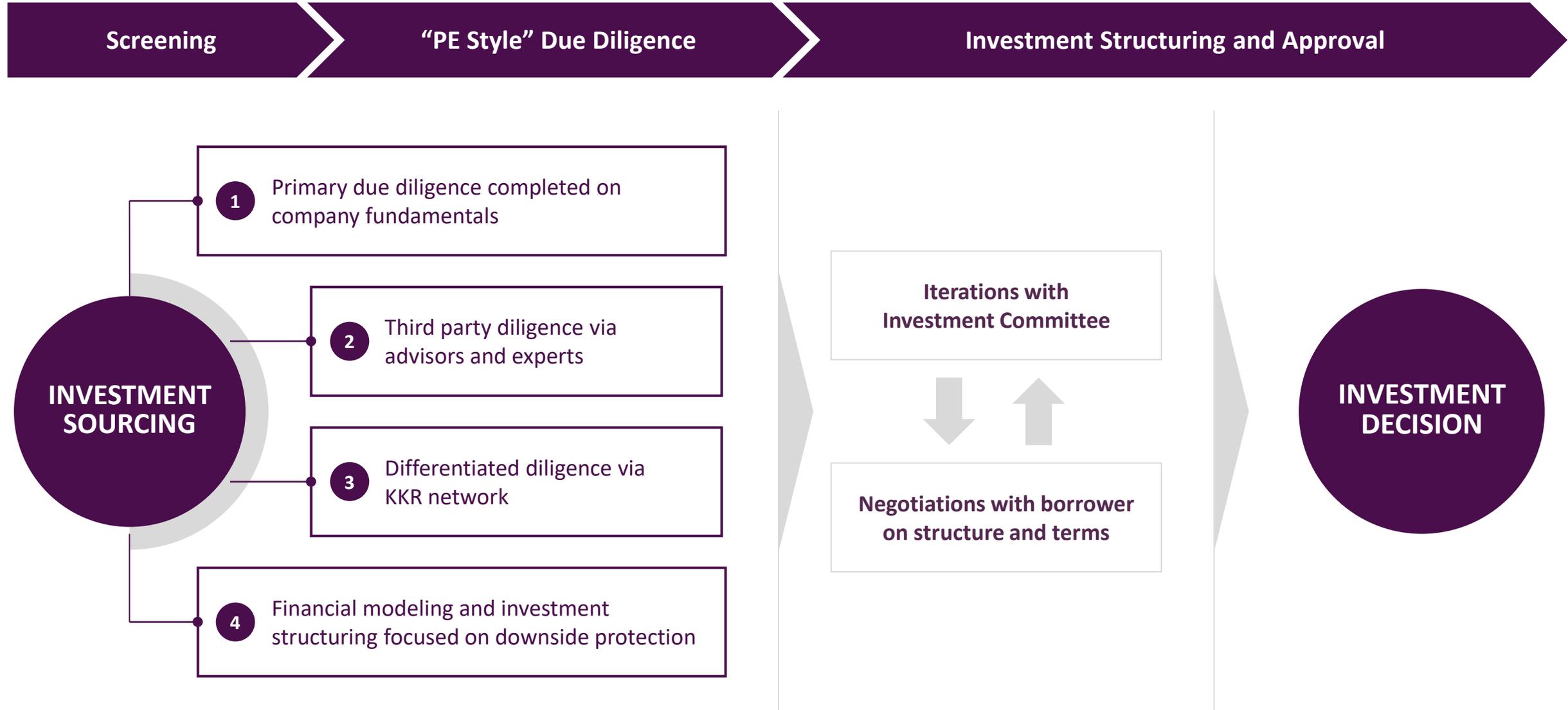
Proven Track Record & Consistent Portfolio Construction

- Over the past 15+ years, KKR Credit has:
 - Deployed over ~\$73bn in private credit transactions
 - Invested over cycles and in different market conditions
 - Grown the size of investments / borrowers as platform has scaled

Risk Management Culture

- Constant re-underwriting through our quarterly portfolio review process
- Dedicated team to monitor the portfolio; is an integral part of the investment team
- Hands-on investor when required, leveraging KKR operational expertise and resources
- Consideration of ESG risks embedded into investment process

KKR Private Credit: Investment Process



KKR Private Credit: Investment Discipline

Recent Sourcing Activities ¹					
	2018	2019	2020	2021	YTD 2022
Evaluated	~1,240	~1,360	~1,310	~1,600	~1,300
Discussed in Investment Committee	~210	~320	~210	~345	~200
New Deals Closed	38	40	38	87	52
Close Rate	~3%	~3%	~3%	~5%	~4%

BDC Activity ²		
	2021	YTD 2022
Originated Deals Funded	\$8.1bn	\$3.6bn

KKR's deep origination network generates significant investment opportunities

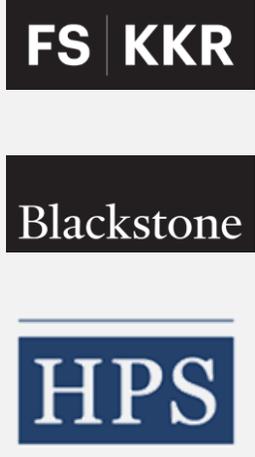
Note: Does not look through to activity within FSK's investment in Credit Opportunities Partners JV, LLC ("COPJV"). COPJV is a joint venture between FSK and South Carolina Retirement Systems Group Trust ("SCRS"). Originated investments with more than \$25mm of purchases.

1. Number of deals funded includes new investments made across KKR private credit funds as well as portfolios and excludes add-ons.
2. Includes all originated investments only, excludes leveraged credit investments.

KKR Private Credit: Upper Middle Market Focus

Competitive Dynamics

Market Participants

Lower MM	Middle MM	Upper MM	BSL Market
\$3–25mm EBITDA	\$25–50mm EBITDA	\$50–150mm+ EBITDA	\$150mm+ EBITDA
<ul style="list-style-type: none"> Limited balance sheets Single scope product offerings Extreme competition 	<ul style="list-style-type: none"> Highly structured financings with specific covenants Ability to finance across the capital structure Less competition given size and scale required 	<ul style="list-style-type: none"> Commoditized financing structures and product offerings Tradable, liquid credit 	
<ul style="list-style-type: none"> Hundreds of community banks and “local” banks 40-45 smaller BDCs Numerous small, private funds 	<ul style="list-style-type: none"> Limited number of large BDCs Non-BDC market participants on an ad hoc basis 	<ul style="list-style-type: none"> Bulge bracket banks CLO funds Loan mutual funds Insurance companies 	
			

Private Credit: KKR Platform Benefits

1. Leverage Global KKR Network

Strong collaboration across KKR's broader platform enhancing both origination and due diligence

2. Private Credit Platform with Differentiated Size and Scale

Ability to finance higher quality, upper-middle market borrowers on a sole lender basis

3. Institutionalized and Seasoned Team

Broad investment team, including dedicated Portfolio Monitoring and Workout resources enhance our total capability set

4. Broad Origination Network of Repeat Relationships

On average ~60% of our originations come from existing portfolio companies within KKR's network

5. Rigorous "PE-Style" Investment Diligence Process

Consistent and repeatable underwriting process with a focus on structural and downside protection



FSK CAPITAL STRUCTURE

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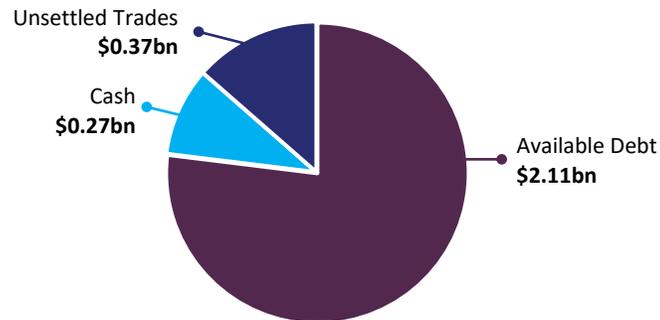
Capital Structure: Key Principles

Conservatively Structured

- Target leverage set at 1.00-1.25x (1.19x Net Debt-to-Equity as of September 30, 2022⁽¹⁾)
 - Provides cushion to regulatory leverage cap
 - Provides flexibility to be both defensive and aggressive during times of dislocation
- 52% of drawn leverage is unsecured as of September 30, 2022
- 71% of drawn leverage is not subject to MTM triggers as of September 30, 2022

Significant Liquidity

9/30/2022 Liquidity: \$2.75bn



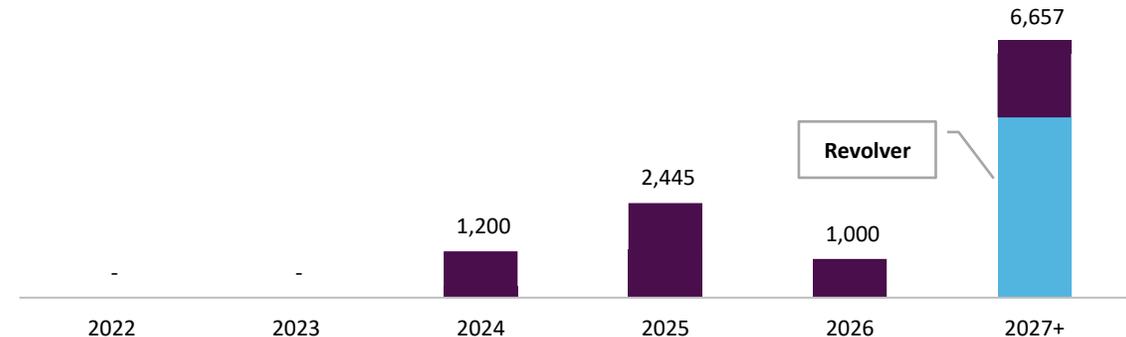
Investment Grade Rated

Enhances access to capital markets

	Rating	Outlook
	Baa3	Stable
	BBB-	Stable
	BBB	Stable

Long Term Maturity Ladder

100% of our liabilities mature 2024 and beyond



1. Net debt-to-equity ratio is debt outstanding, net of cash and foreign currency and net payable/receivable for investments purchased/sold and repaid, divided by net assets.

Capital Structure: Overview

Funding Source	9/30/22 \$ Committed	9/30/22 \$ Outstanding	9/30/22 \$ Undrawn	Maturity Date	Pro Forma Wtd. Avg. Rate	Committed	Outstanding
Senior Secured Revolver	4,655	2,665	1,978 ⁽¹⁾	5/17/27	SOFR+1.75% - 1.875%	41.3%	29.1%
MS Revolver	300	259	41	11/22/24	SOFR+2.05%	2.7%	2.8%
DB Revolver – 1	250	243	7	2/26/25	L+1.85%	2.2%	2.6%
DB Revolver – 2	500	478	22	2/26/25	L+1.85%	4.4%	5.2%
SMBC Revolver	300	290	10	6/2/25	L+1.75% - 2.00%	2.7%	3.2%
Ally Revolver	200	144	56	11/22/25	SOFR+2.15%	1.8%	1.6%
Total Secured	6,205	4,079	2,114			55.1%	44.5%
FS KKR MM CLO 1	352	352	-	1/15/31	L+1.85% - 3.01%	3.1%	3.8%
Total CLO	352	352	-			3.1%	3.8%
4.625% Notes	400	400	-	7/15/24	4.63%	3.5%	4.4%
1.650% Notes	500	500	-	10/12/24	1.65%	4.4%	5.4%
4.125% Notes	470	470	-	2/1/25	4.13%	4.2%	5.1%
4.250% Notes	475	475	-	2/14/25	4.25%	4.2%	5.2%
8.625% Notes	250	250	-	5/15/25	8.63%	2.2%	2.7%
3.400% Notes	1,000	1,000	-	1/15/26	3.40%	8.8%	10.9%
2.625% Notes	400	400	-	1/15/27	2.63%	3.5%	4.4%
3.250% Notes	500	500	-	7/15/27	3.25%	4.4%	5.4%
3.125% Notes	750	750	-	10/12/28	3.13%	6.6%	8.2%
Total Unsecured	4,745	4,745	-			41.8%	51.7%
TOTAL	11,302	9,176	2,114		4.21% ⁽²⁾	100.0%	100.0%

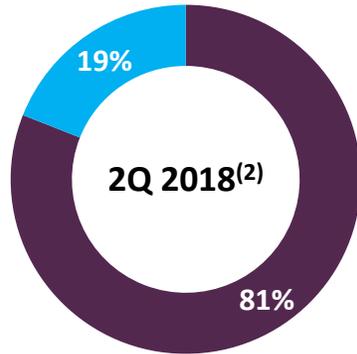
1. The amount available for borrowing under the Senior Secured Revolving Credit Facility is reduced by any standby letters of credit issued under the Senior Secured Revolving Credit Facility. As of September 30, 2022, \$12mm of such letters of credit have been issued.

2. Weighted average effective interest rate on borrowings, including the effect of non-usage fees.

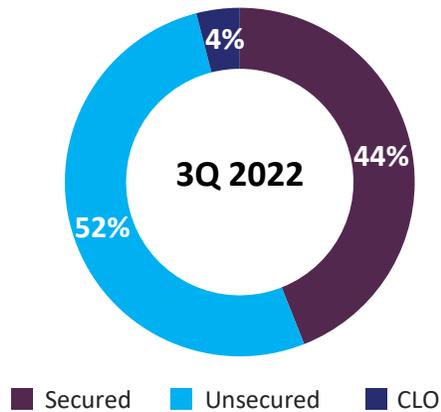
Capital Structure: Rotation Analysis

FSK Balance Sheet Rotation Analysis⁽¹⁾

Wtd. Avg Cost of Debt: 4.8%



Wtd. Avg Cost of Debt: 4.2%



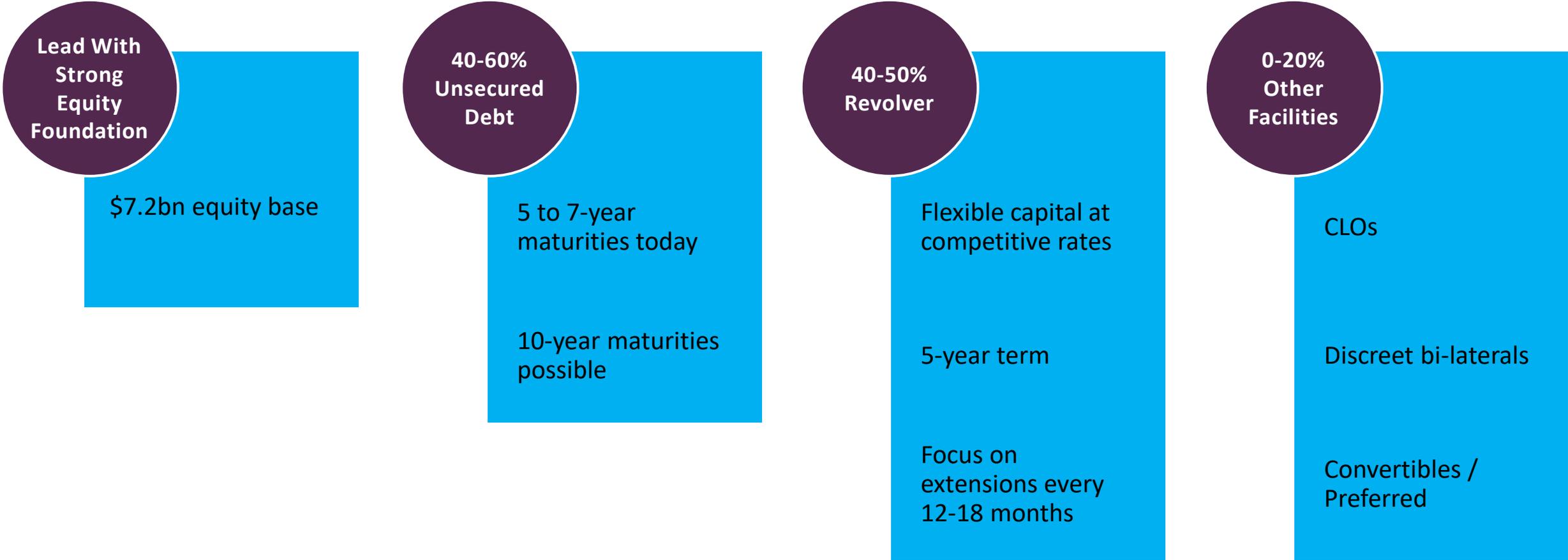
Capital Structure Accomplishments

- ✓ **Created flexible structure with \$2.75bn of available capital**
- ✓ **Demonstrated access to capital markets**
 - Issued one of the largest revolvers in the BDC industry
 - Issued nearly \$5.0bn of unsecured liabilities across 10 bonds at FSK and another \$525mm at COPJV
 - Issued into the CLO market
- ✓ **Extending maturities while lowering borrowing costs**
 - Weighted average maturity ladder is 4.0 years as of September 30, 2022, compared to 2.2 years prior to FS/KKR Advisor managing FSK
 - Post-merger announcement, FSK issued \$1bn of unsecured notes at 3.40% and, post-closing of the Merger, FSK issued \$400mm at 2.625%, compared to a 5.0% weighted average cost of unsecured issuance pre-merger announcement
 - In October 2021, FSK issued \$1.25bn of unsecured notes with a weighted average coupon of 2.54% and a weighted average life of 5.4 years
 - In January 2022, FSK issued \$500mm of unsecured notes at 3.25% maturing in 2027
 - In May 2022, FSK amended and upsized its Senior Secured Revolver to, among other things, increase the total commitment by \$455mm and extend the maturity from 2025 to 2027

1. Based on drawn leverage, includes the effect of non-usage fees

2. 2Q 2018 period pro-forma for the merger of CCT, FSKR, FSIC III, FSIC IV, and CCT II with and into FSK.

Capital Structure: Future Goals



Maintaining and enhancing our investment grade ratings is of paramount importance to maximize our access to the capital markets in all market environments



FSK OVERVIEW AND RECENT RESULTS

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Financial Results

<i>(Dollar amounts in millions, except per share data)</i>	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22
NII per share	\$0.71	\$0.66	\$0.77	\$0.71	\$0.76
Adjusted NII per share ⁽¹⁾	\$0.64	\$0.65	\$0.72	\$0.67	\$0.73
Net realized and unrealized gains (losses) per share	\$0.24	(\$0.02)	\$0.02	(\$0.96)	(\$1.21)
Adjusted net realized and unrealized gains (losses) per share	\$0.31	\$0.03	\$0.07	(\$0.92)	(\$1.17)
Net increase (decrease) in net assets resulting from operations (earnings per share)	\$0.95	\$0.64	\$0.79	(\$0.26)	(\$0.45)
Total stockholder distributions declared per share	\$0.62	\$0.63	\$0.68	\$0.67	\$0.68
Net asset value per share at period end	\$27.14	\$27.17	\$27.33	\$26.41	\$25.30
Weighted average shares outstanding (in millions)	285.1	284.9	284.3	283.9	283.2
Shares outstanding, end of period (in millions)	285.1	284.5	284.1	283.5	283.0
Total investments at fair value	\$15,824	\$16,101	\$16,554	\$16,178	\$15,792
Total assets	\$16,620	\$17,228	\$17,985	\$17,189	\$16,716
Cash ⁽²⁾	\$241	\$377	\$369	\$269	\$266
Total debt ⁽³⁾	\$8,511	\$9,179	\$9,879	\$9,347	\$9,176
Debt-to-equity, Net ⁽⁴⁾	1.03x	1.07x	1.12x	1.15x	1.19x
Adjusted NII / total stockholder distributions declared	103%	103%	106%	100%	107%

1. See the Appendix for a reconciliation between NII and Adjusted NII.

2. Includes cash, restricted cash, and cash denominated in foreign currency.

3. Principal amount outstanding.

4. Net debt-to-equity ratio is debt outstanding, net of cash and foreign currency and net payable/receivable for investments purchased/sold and repaid, divided by net assets.

Portfolio Highlights

<i>(Dollar amounts in millions)</i>	As of and for Three Months Ended				
	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22
Investment at Fair Value:					
First Lien Senior Secured Loans	61.2%	60.7%	59.9%	61.9%	61.9%
Second Lien Senior Secured Loans	10.6%	9.7%	8.6%	8.0%	7.9%
Other Senior Secured Debt	0.9%	0.7%	0.7%	0.7%	0.7%
Subordinated Debt	0.6%	0.7%	0.5%	0.5%	1.6%
Asset Based Finance	12.6%	13.9%	13.2%	13.1%	11.6%
Credit Opportunities Partners JV, LLC	8.8%	8.7%	8.9%	9.3%	9.3%
Preferred Equity ⁽¹⁾	2.4%	2.6%	4.2%	3.9%	4.7%
Equity/Other	2.9%	3.0%	4.0%	2.6%	2.3%
Total Investments	\$15,824	\$16,101	\$16,554	\$16,178	\$15,792
Number of portfolio companies ⁽²⁾	190	189	193	192	195
Interest Rate Type:⁽³⁾					
% Floating Rate	88.1%	87.2%	87.1%	87.4%	89.1%
% Fixed Rate	11.9%	12.8%	12.9%	12.6%	10.9%
Net Interest Margin:					
Weighted average annual yield on accruing debt investments ⁽⁴⁾	8.1%	8.4%	8.3%	9.2%	10.4%
Weighted average interest rate on borrowings ⁽⁵⁾	3.2%	3.0%	3.1%	3.5%	4.2%

1. Included within Equity/Other in FSK's Quarterly and Annual Reports on Form 10-Q and 10-K, respectively.

2. Does not look through to FSK's portfolio companies held solely in COPJV. COPJV is a joint venture between FSK and South Carolina Retirement Systems Group Trust (SCRS).

3. Represents interest rates on debt investments (see FSK's Quarterly Report on Form 10-Q for the definition of debt investments) at US\$ fair value. Floating Rate includes variable interest rates on Asset Based Finance investments that can change quarter to quarter.

4. Excludes the impact of the Merger. Excluding the impact of the Merger, FSK's weighted average annual yield on all debt investments was 9.7% as of September 30, 2022. See FSK's Quarterly Report on Form 10-Q for additional information on the calculation of weighted average annual yield on accruing debt investments and weighted average annual yield on all debt investments. On a GAAP basis, FSK's weighted average annual yield was 11.1% on accruing debt investments and 10.3% on all debt investments as of September 30, 2022.

5. Includes the effect of non-usage fees.

FSK Investment Portfolio Overview

195

portfolio companies⁽¹⁾

19%

FV in top-10 portfolio companies⁽²⁾

71%

of investments in senior secured debt⁽²⁾

\$99mm / 6.0x

median portfolio company EBITDA & leverage⁽³⁾

89%

of debt investments are floating rate⁽⁴⁾

10.4%

wtd. avg. annual yield on accruing debt investments⁽⁵⁾

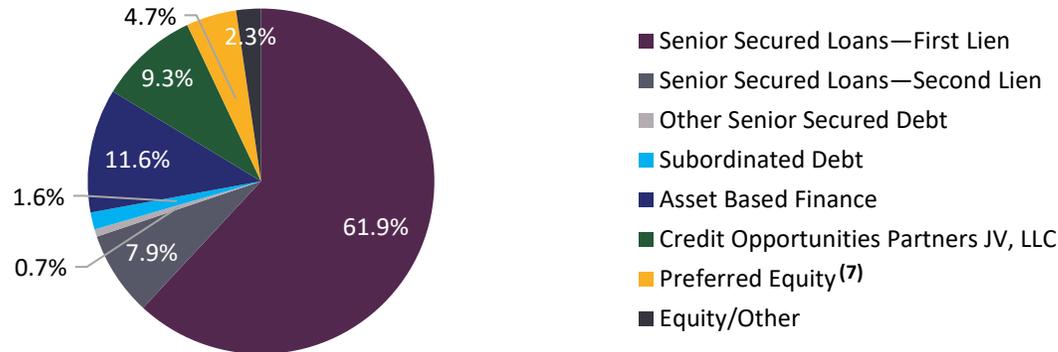
2.5%

non-accrual rate at FV

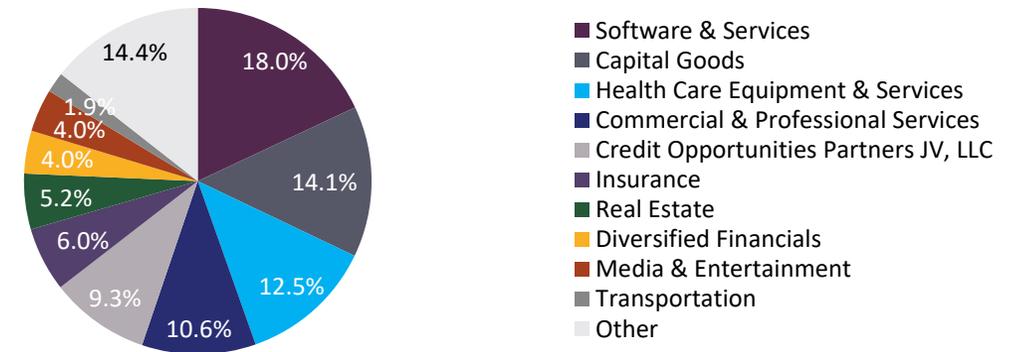
~80%

lead, co-lead, or sole origination⁽⁶⁾

Security Exposure (by fair value)



Sector Exposure (by fair value)

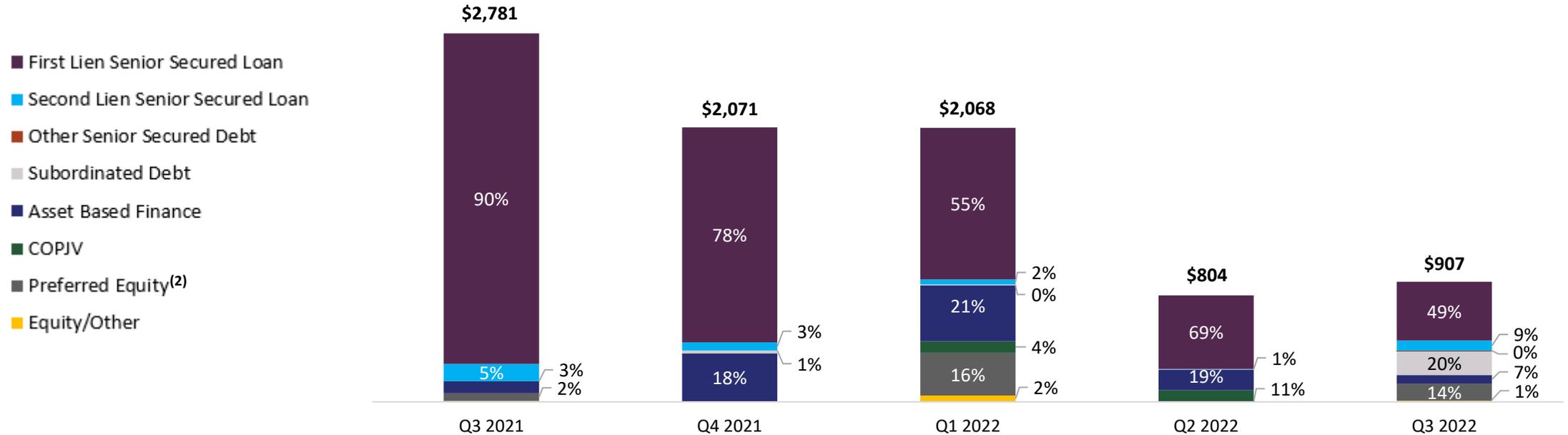


Total Investment Portfolio at Fair Value: \$15.8bn

- Does not look through to FSK's portfolio companies held solely in COPJV.
- Figure excludes the impact of FSK's investment in COPJV.
- Based on underlying Direct Origination corporate investments using most recently reported financial information and may include pro forma adjustments. Certain Asset Based Finance, Equity/Other and portfolio companies with negative or de minimis EBITDA are excluded.
- See FSK's Quarterly Report on Form 10-Q for its definition of debt investments.
- Excludes the impact of the Merger. See FSK's Quarterly Report on Form 10-Q for additional information on the calculation of weighted average annual yield on accruing debt investments. On a GAAP basis, FSK's weighted average annual yield on accruing debt investments was 11.1% as of September 30, 2022.
- Figure based on fair value of Direct Origination investments only. KKR & BDC accounts' participation, KKR Capital Markets' involvement, and deal teams leading the negotiations/structuring are all considered when determining the Origination Role.
- Included within Equity/Other in FSK's Quarterly and Annual Reports on Form 10-Q and 10-K, respectively.

Quarterly Investment Activity

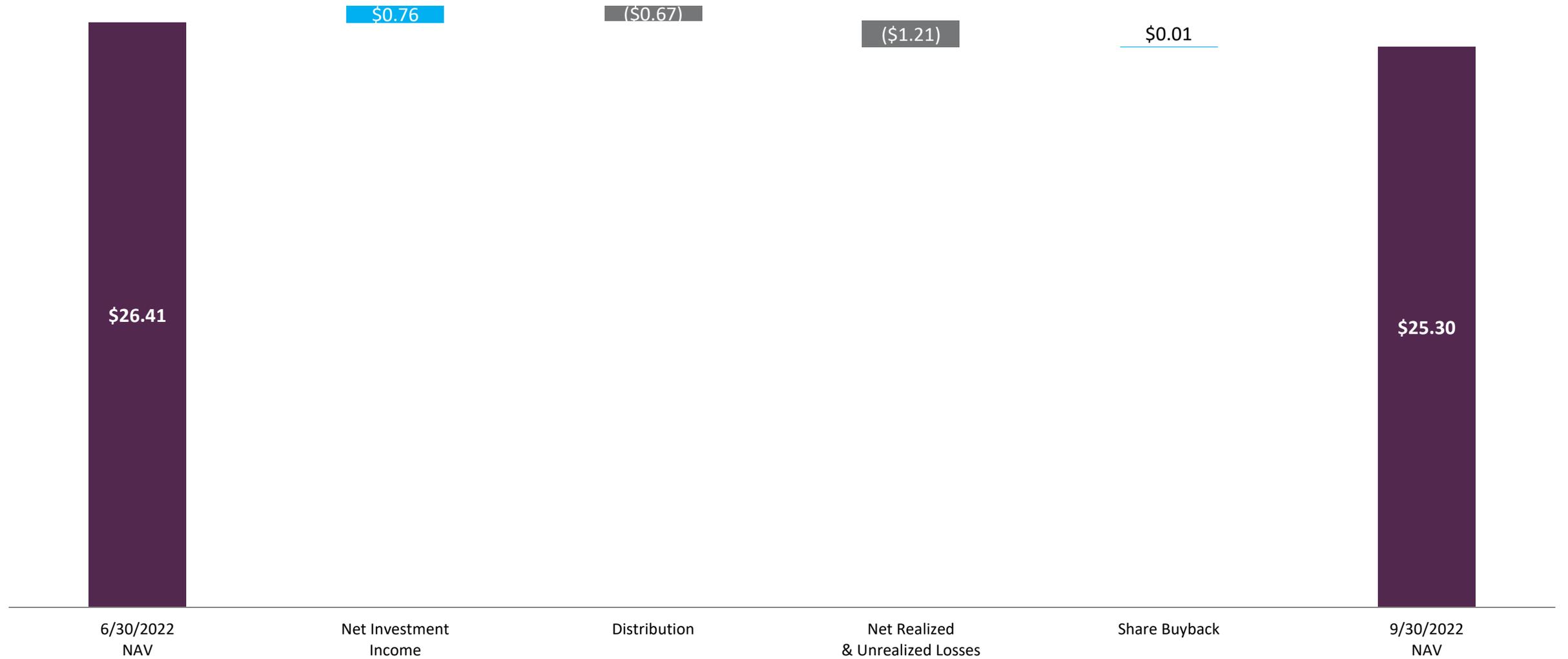
Asset Mix of New Purchases⁽¹⁾



Portfolio Roll (\$ in millions)	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22
Investment Purchases	\$2,781	\$2,071	\$2,068	\$804	\$907
Sales and Redemptions ⁽³⁾	(1,806)	(1,855)	(1,673)	(906)	(951)
Net Investment Activity	\$975	\$216	\$395	(\$102)	(\$44)
Net Sales to COPJV	364	1,005	554	87	300
Adjusted Net Investment Activity	\$1,339	\$1,221	\$949	(\$15)	\$256

1. Any amount less than 0.5% is reflected as zero.
2. Included within Equity/Other in FSK's Quarterly and Annual Reports on Form 10-Q and 10-K, respectively.
3. Includes net sales to COPJV.

Net Asset Value Bridge



Note: Per share data derived using the weighted average shares outstanding during the period, except NAV per share, which is based on shares outstanding at the end of the period. Numbers may not sum due to rounding.

Credit Opportunities Partners JV, LLC Overview

FSK's joint venture with South Carolina Retirement Systems Group Trust (SCRS)

- > **Primarily senior secured assets**

- > **Key Portfolio Benefits**
 - Allows FSK to access the full capabilities of KKR platform
 - Yield enhancing

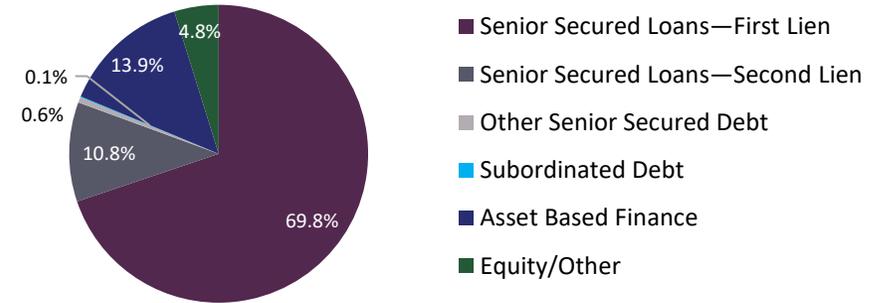
- > **Key Terms of the Partnership**
 - FSK and SCRS share voting control 50% / 50%
 - Equity ownership 87.5% FSK / 12.5% SCRS
 - FSK provides day-to-day administrative oversight

September 30, 2022 update

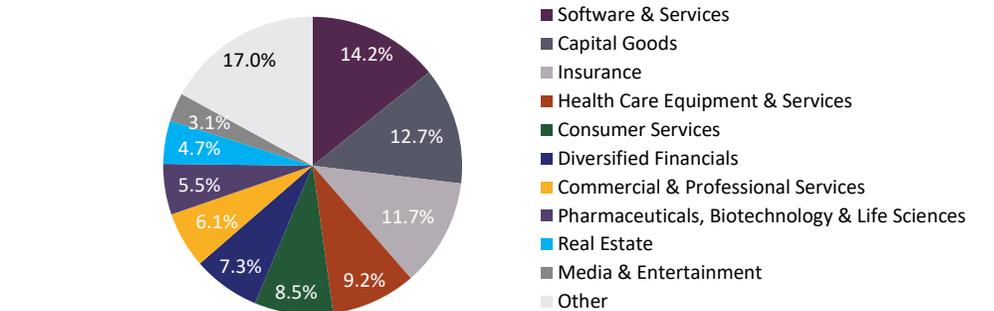
- > **Portfolio**
 - Fair value of investments was \$3.6bn
 - 95% floating rate debt investments

- > **Key stats**
 - NAV of \$1.7bn (FSK's equity of COPJV was \$1.5bn)
 - \$640mm of uncalled equity capital (\$560mm allocated to FSK)
 - 1.18x net debt-to-equity ratio⁽¹⁾

Security Exposure (by fair value)

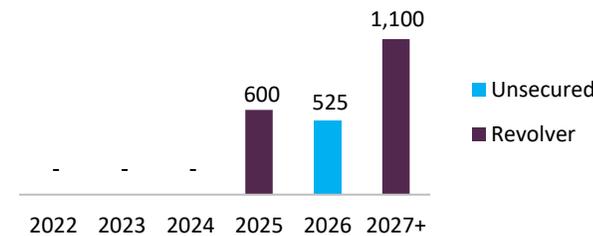


Sector Exposure (by fair value)



Capital Structure

Long Term Maturity Ladder



Total debt: committed \$2.2bn, funded \$1.8bn

Unsecured debt: 24% committed, 29% drawn

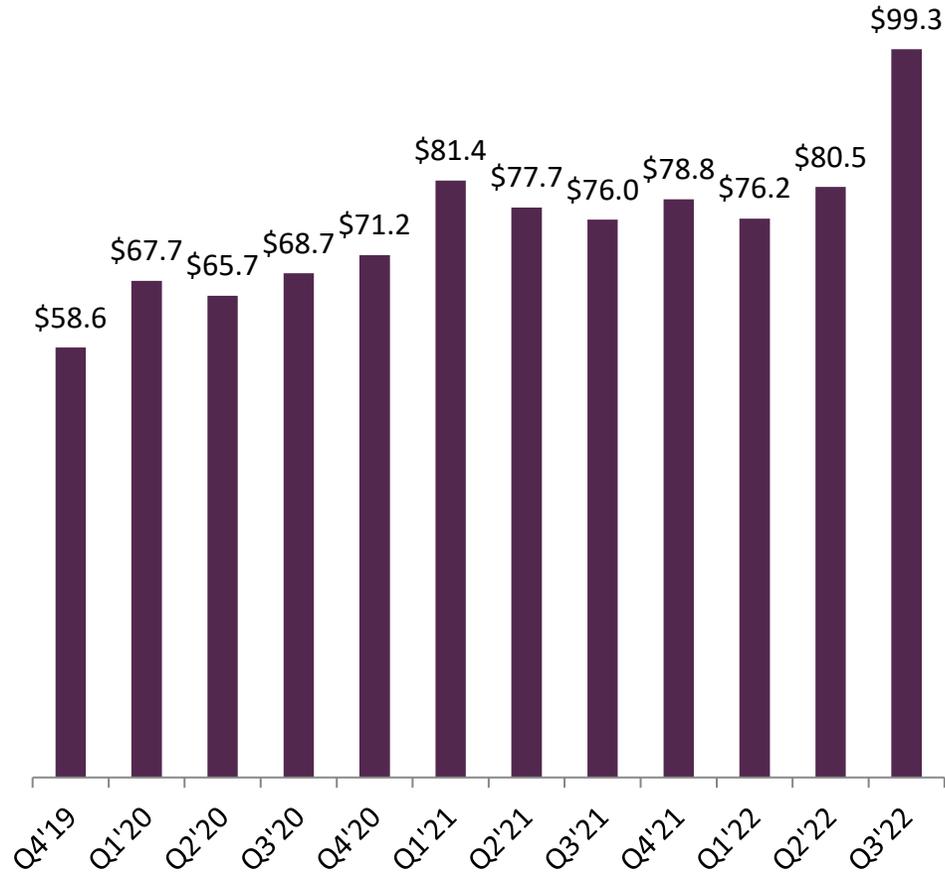
Wtd. average interest rate on borrowings: 4.51%⁽²⁾

1. Net debt-to-equity ratio is debt outstanding, net of cash and foreign currency and net payable/receivable for investments purchased/sold and repaid, divided by net assets.

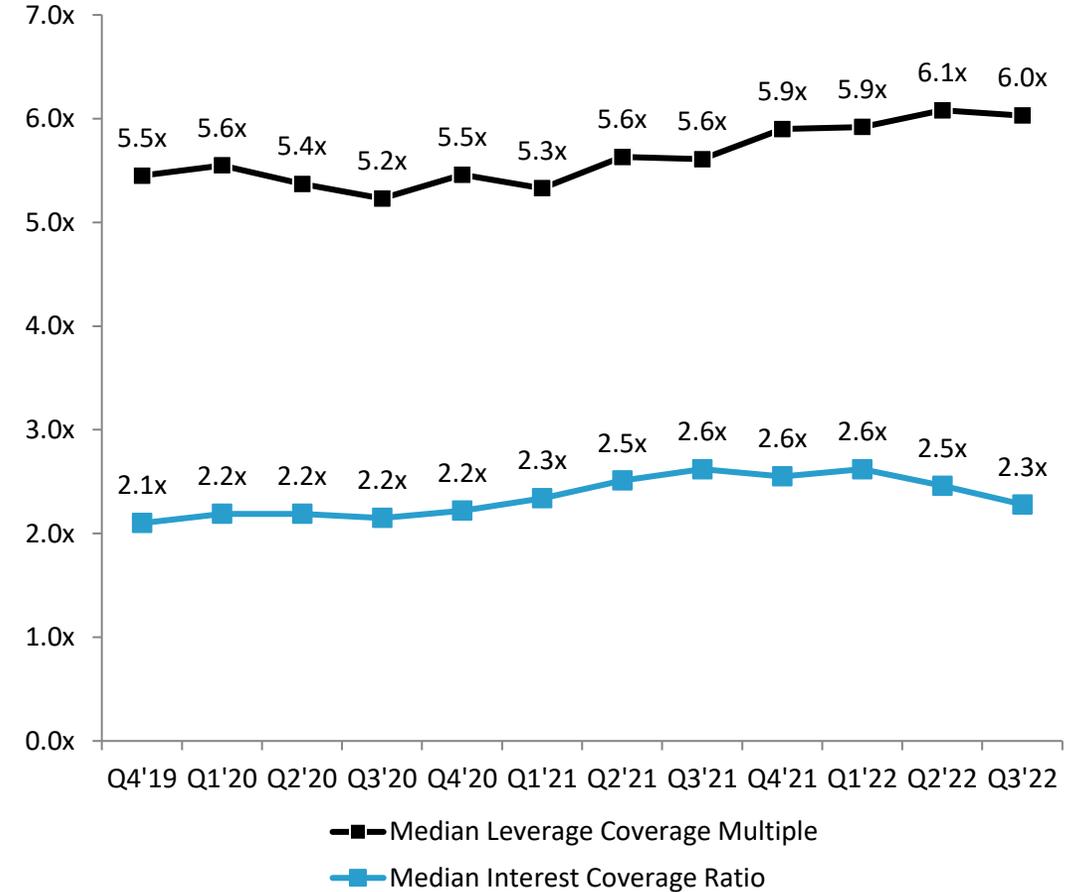
2. Includes the effect of non-usage fees.

Direct Origination Investments EBITDA and Credit Statistics

Direct Origination Portfolio Company Median EBITDA



Direct Origination Portfolio Company Coverage Ratios



Note: Based on underlying Direct Origination corporate investments using most recently reported financial information and may include pro forma adjustments. Prior periods are shown pro forma for the Merger. Certain Asset Based Finance, Equity/Other and portfolio companies with negative or de minimis EBITDA are excluded. The weighted average Direct Origination portfolio company EBITDA was \$207.4 million as of September 30, 2022.



KKR CREDIT ESG POLICY

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KKR Private Credit: ESG Approach

Dedicated Team with Deep Expertise

1

Investment team partners with Global KKR ESG Team Members

Proprietary ESG Scoring

2

ESG scorecards are managed within KKR's internal credit monitoring systems

Investment Process

3

ESG analysis and scores are discussed as part of KKR Credit's robust Investment Process.

Ongoing Monitoring

4

Deal teams are responsible for ESG analysis, scoring and ongoing monitoring

Integration

KKR has developed a team of internal "Subject Matter Experts" who partner across the investment teams and geographies on the integration and management of ESG issues

Framework

KKR has been a signatory of the Principles for Responsible Investment (PRI) since 2009. We are guided by the Sustainability Accounting Standards Board (SASB) at the investment level, and our climate strategy is informed by the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations

Partnership

History of partnering with extensive network of leading NGOs and other thought leaders



APPENDIX

Operating Results

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22
Total investment income	\$360	\$364	\$396	\$379	\$411
Net expenses	(159)	(163)	(176)	(176)	(194)
Net investment income before taxes	\$201	\$201	\$220	\$203	\$217
Excise taxes	-	(12)	-	-	(1)
Net investment income	\$201	\$189	\$220	\$203	\$216
Plus: excise taxes	-	12	-	-	1
Plus: net merger accretion and one-time expenses ⁽¹⁾	(20)	(16)	(14)	(13)	(12)
Adjusted net investment income⁽²⁾	\$181	\$185	\$206	\$190	\$205
Total net unrealized and realized gains (losses)	69	(5)	5	(273)	(343)
Realized loss on extinguishment of debt	-	(3)	-	-	-
Provision for taxes on realized gains on investments	-	-	-	(3)	-
Net increase (decrease) in net assets resulting from operations	\$270	\$181	\$225	(\$73)	(\$127)
Per Share:					
Net investment income	\$0.71	\$0.66	\$0.77	\$0.71	\$0.76
Adjusted net investment income ⁽²⁾	\$0.64	\$0.65	\$0.72	\$0.67	\$0.73
Net increase (decrease) in net assets results from operations	\$0.95	\$0.64	\$0.79	(\$0.26)	(\$0.45)
Stockholder distributions	\$0.65	\$0.62	\$0.63	\$0.68	\$0.67
Weighted average shares outstanding (millions)	285.1	284.9	284.3	283.9	283.2
Shares outstanding, end of period (millions)	285.1	284.5	284.1	283.5	283.0

1. Net merger accretion represents a reversal of all Merger-related accretion for the specified period.

2. Adjusted net investment income is a non-GAAP financial measure. Adjusted net investment income is presented for all periods as GAAP net investment income excluding (i) the accrual for the capital gains incentive fee for realized and unrealized gains; (ii) excise taxes; (iii) the impact of accretion resulting from merger accounting; and (iv) certain non-recurring operating expenses that are one-time in nature and are not representative of ongoing operating expenses incurred during FSK's normal course of business (referred to herein as one-time expenses). FSK uses this non-GAAP financial measure internally in analyzing financial results and believes that the use of this non-GAAP financial measure is useful to investors as an additional tool to evaluate ongoing results and trends and in comparing its financial results with other business development companies. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP.

Operating Results Detail

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22
Investment income:					
Interest income	\$239	\$245	\$261	\$247	\$279
Payment-in-kind interest income	35	37	43	40	39
Fee income	31	26	29	13	26
Total dividend and other income	55	56	63	79	67
Total investment income	\$360	\$364	\$396	\$379	\$411
Operating expenses:					
Investment advisory fees & expenses	58	60	62	63	61
Interest expense	70	73	77	83	96
Incentive fees ⁽¹⁾	20	19	25	22	25
Other operating expenses	11	11	12	8	12
Total operating expenses	\$159	\$163	\$176	\$176	\$194
Net investment income before taxes	201	201	220	\$203	\$217
Income taxes, including excise taxes	-	(12)	-	-	(1)
Net investment income	\$201	\$189	\$220	\$203	\$216
Total net unrealized and realized gains (losses)	69	(5)	5	(273)	(343)
Realized loss on extinguishment of debt	-	(3)	-	-	-
Provision for taxes on realized gains on investments	-	-	-	(3)	-
Net increase in net assets resulting from operations	\$270	\$181	\$225	(\$73)	(\$127)

1. Net of the \$15 million incentive fee waiver beginning in Q3 2021. The Advisor has agreed to waive income incentive fees in the amount of \$15 million per quarter for the first six full fiscal quarters of operations following the closing of the Merger.

Balance Sheet

(Dollar amounts in millions, except per share data)	As of				
	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22
Assets					
Total investments, at fair value	\$15,824	\$16,101	\$16,554	\$16,178	\$15,792
Cash	229	258	362	232	264
Foreign currency, at fair value	12	119	7	37	2
Receivable for investments sold and repaid	365	567	856	498	425
Income receivable	163	153	176	190	165
Unrealized appreciation on foreign currency forward contracts	6	9	10	24	39
Deferred financing costs	15	16	15	24	22
Prepaid expenses and other assets	6	5	5	6	7
Total Assets	\$16,620	\$17,228	\$17,985	\$17,189	\$16,716
Liabilities					
Payable for investments purchased	\$57	\$2	\$33	\$27	\$57
Debt	8,492	9,142	9,835	9,306	9,137
Unrealized depreciation on derivative instruments	1	1	1	0	-
Shareholders' distributions payable	186	176	179	193	190
Interest Payable	55	70	66	77	67
Other liabilities ⁽¹⁾	93	107	104	99	105
Total Liabilities	\$8,884	\$9,498	\$10,218	\$9,702	\$9,556
Total Net Assets	\$7,736	\$7,730	\$7,767	\$7,487	\$7,160
Net Asset Value per Share	\$27.14	\$27.17	\$27.33	\$26.41	\$25.30

1. Includes accrued performance-based incentive fees, accrued investment advisory fees, accrued directors' fees, administrative expenses payable and deferred tax liabilities.

Quarterly Gain/Loss Information

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	9/30/21	12/31/21	3/31/22	6/30/22	9/30/22
Realized gain/loss					
Net realized gain (loss) on investments:					
Non-controlled/unaffiliated investments	\$60	\$50	(\$26)	\$177	\$16
Non-controlled/affiliated investments	139	(11)	(6)	45	51
Controlled/affiliated investments	(2)	9	-	(39)	(4)
Net realized gain (loss) on foreign currency forward contracts	-	-	5	2	2
Net realized gain (loss) on foreign currency	(1)	(3)	1	6	5
Total net realized gain (loss)	\$196	\$45	(\$26)	\$191	\$70
Unrealized gain/loss					
Net change in unrealized appreciation (depreciation) on investments:					
Non-controlled/unaffiliated investments	(\$49)	(\$48)	(\$40)	(\$251)	(\$283)
Non-controlled/affiliated investments	(104)	29	30	(71)	(99)
Controlled/affiliated investments	11	(37)	37	(184)	(69)
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	5	4	1	15	15
Net change in unrealized gain (loss) on foreign currency	10	2	3	27	23
Total net unrealized gain (loss)	(\$127)	(\$50)	\$31	(\$464)	(\$413)
Total net realized and unrealized gain (loss)	\$69	(\$5)	\$5	(\$273)	(\$343)

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Certain figures in this presentation have been rounded.

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