

**FSK** | FS KKR Capital Corp.

# **FS KKR Capital Corp.**

**(NYSE: FSK)**

Investor Presentation

August 2022

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



# FS KKR ADVISOR & MARKET OVERVIEW

**FSK** | FS KKR Capital Corp.

# FS/KKR Advisor: Overview



## Size & Scale

- BDC totaling \$17.2bn in assets integrated within KKR's \$178bn credit platform
- Direct involvement of over 200 professionals including ~180 dedicated KKR Credit investment professionals

## Market Reach

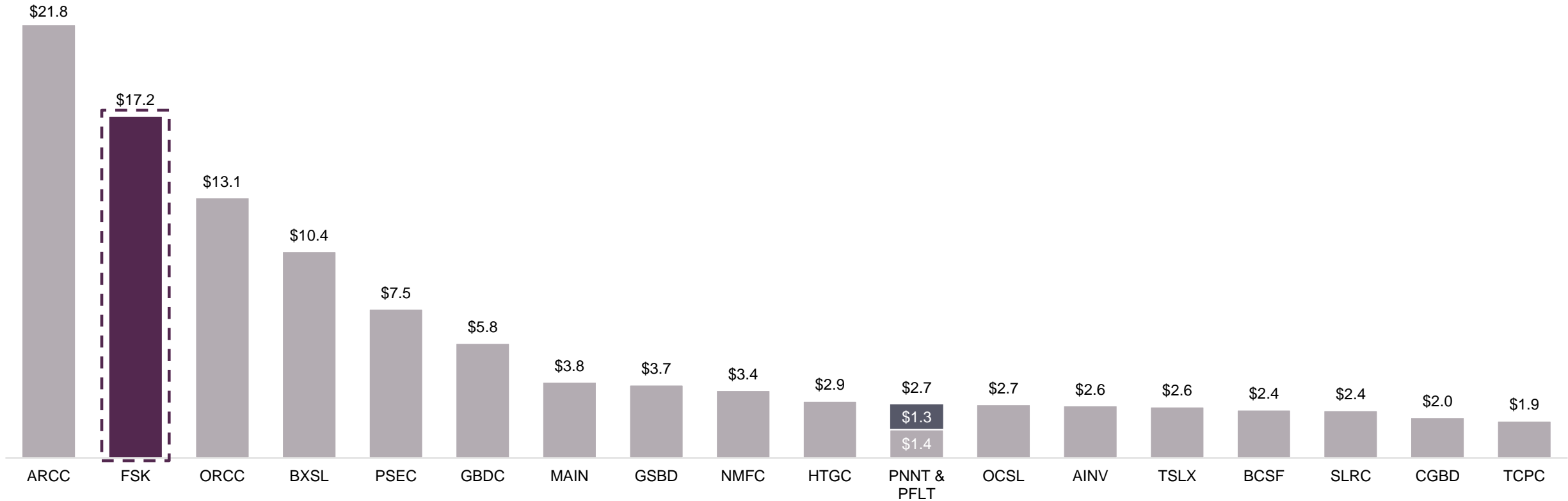
- Global financial sponsor and corporate borrower relationships
- Management and investment teams with significant industry experience

## Scope

- Primarily focused on upper middle market companies (\$50–100mm+ 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. PSEC as of March 31, 2022.

# FS/KKR Advisor: Overview

Established April 2018

FS | KKR

KKR \$491bn AUM<sup>1</sup>

KKR Credit (\$178bn AUM)<sup>1</sup>

- ✓ Ability to commit in scale
- ✓ ~1,600 issuers across the KKR Credit platform
- ✓ ~180 dedicated investment professionals
- ✓ ~\$3.5bn of KKR balance sheet invested across KKR credit strategies<sup>2</sup>
- ✓ Ability to evaluate and commit across capital structures



\$35bn AUM<sup>1</sup>

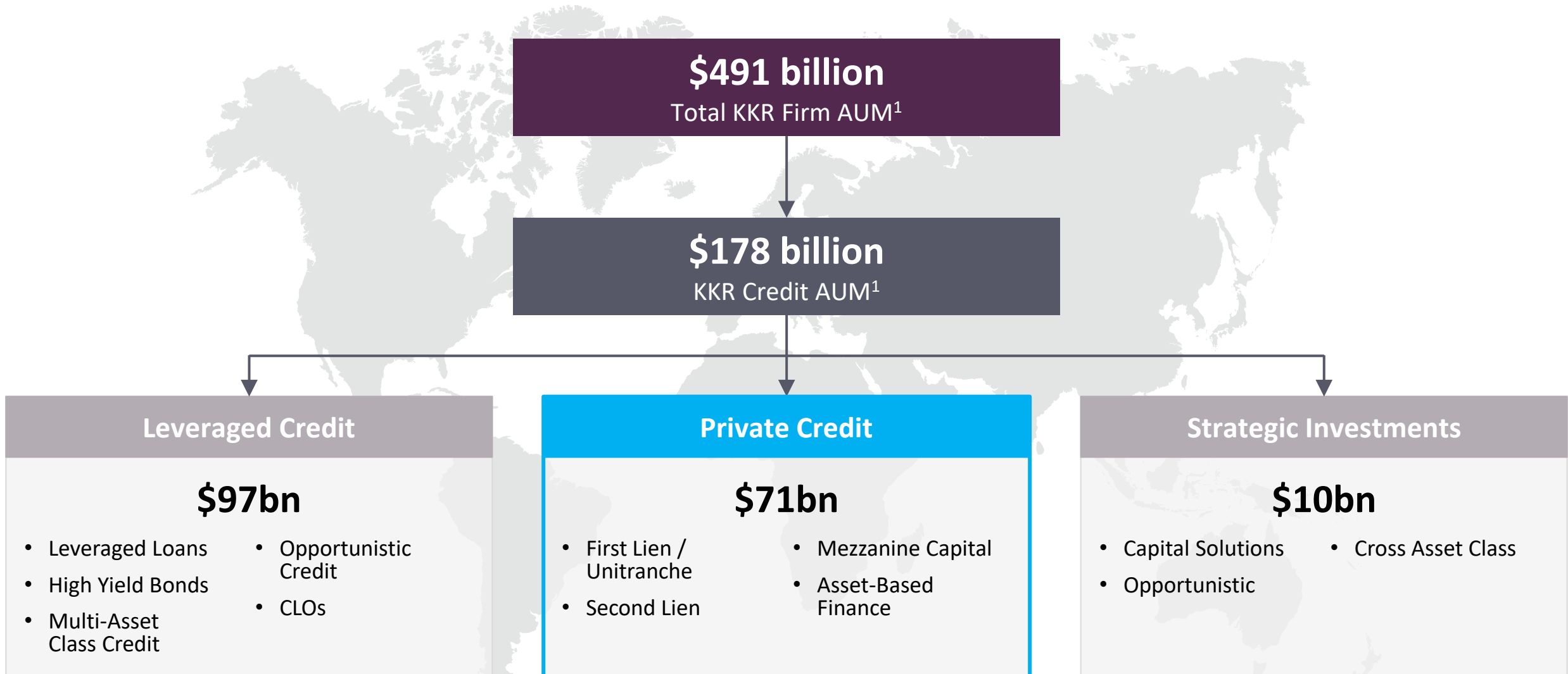
FS Investments

- ✓ 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

**\$71 billion**  
Private Credit AUM

**25+**

Investment Committee  
Average Years of Experience

**~100**

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  
~85% of investments<sup>1</sup>

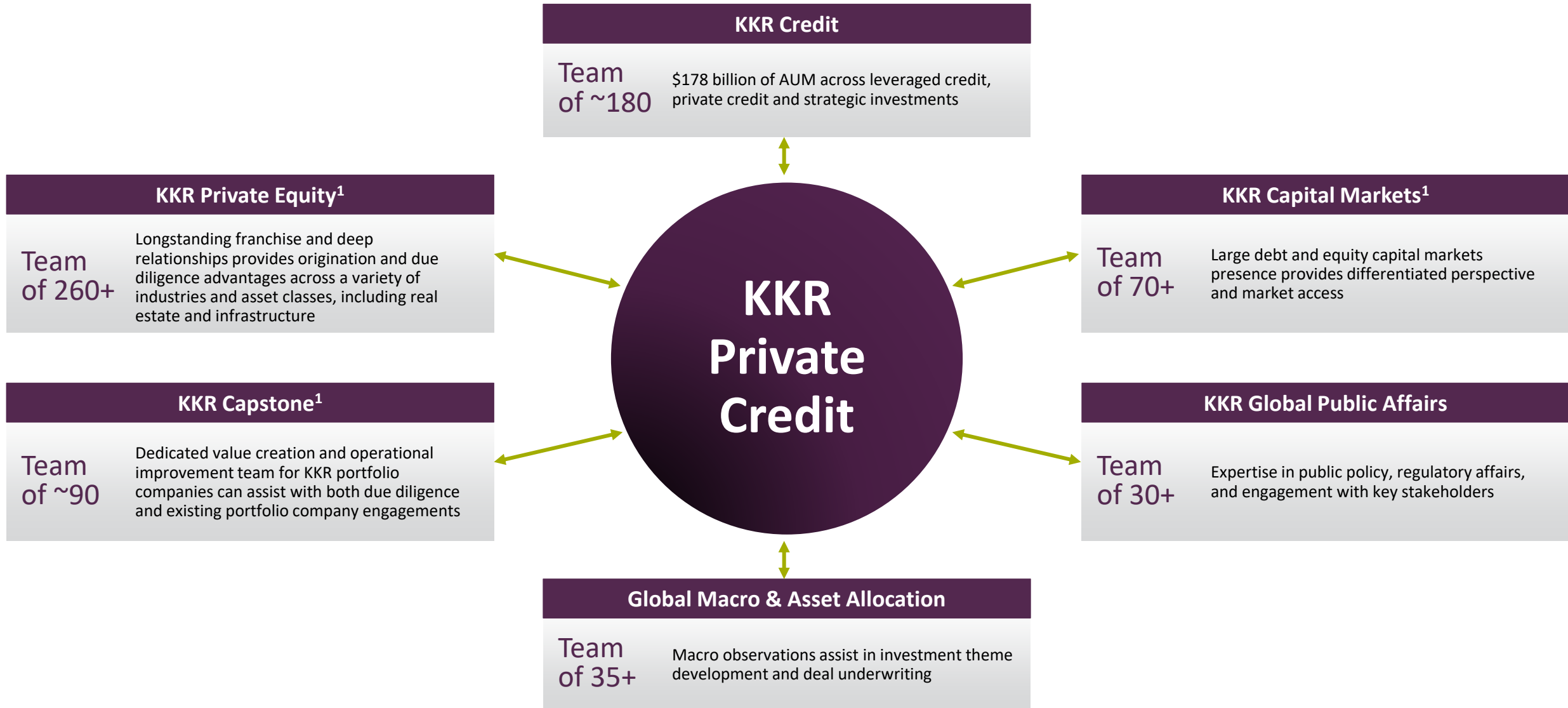
Integrated global resources and access  
to KKR Credit 'library' of ~1,600 issuers

Strong alignment of interest with  
~\$1.0 billion of KKR capital committed  
to private credit strategies<sup>2</sup>

1. Based on weighted average KKR Credit role across in KKRLP I, KKRLP II and KKRLP III, 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

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## 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

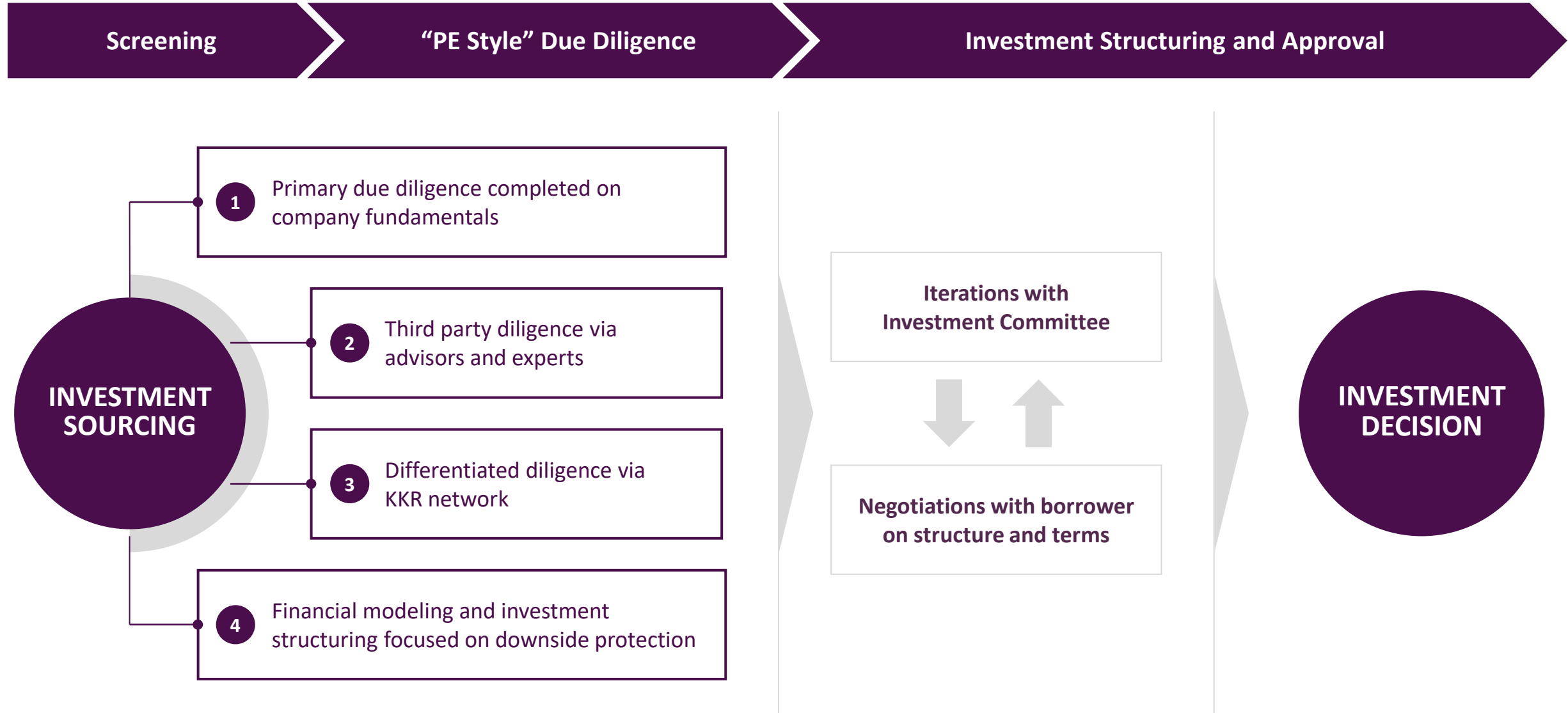
## Proven Track Record & Consistent Portfolio Construction

- Over the past 15+ years, KKR Credit has:
  - Deployed over ~\$71bn 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 <sup>1</sup>					
	2018	2019	2020	2021	1H 2022
<b>Evaluated</b>	~1,240	~1,360	~1,310	~1,600	~890
<b>Discussed in Investment Committee</b>	~210	~320	~210	~345	~132
<b>New Deals Closed</b>	38	40	38	87	20
<b>Close Rate</b>	~3%	~3%	~3%	~5%	~2%

BDC Activity <sup>2</sup>		
	2021	1H 2022
<b>Originated Deals Funded</b>	\$8.1bn	\$2.7bn

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	\$50–100mm+ EBITDA	\$100mm+ EBITDA
<ul style="list-style-type: none"> <li>Limited balance sheets</li> <li>Single scope product offerings</li> <li>Extreme competition</li> </ul>	<ul style="list-style-type: none"> <li><b>Highly structured financings with specific covenants</b></li> <li><b>Ability to finance across the capital structure</b></li> <li><b>Less competition given size and scale required</b></li> </ul>	<ul style="list-style-type: none"> <li>Commoditized financing structures and product offerings</li> <li>Tradable, liquid credit</li> </ul>	
<ul style="list-style-type: none"> <li>Hundreds of community banks and “local” banks</li> <li>40-45 smaller BDCs</li> <li>Numerous small, private funds</li> </ul>	<ul style="list-style-type: none"> <li>Limited number of large BDCs</li> <li>Non-BDC market participants on an ad hoc basis</li> </ul>	<ul style="list-style-type: none"> <li>Bulge bracket banks</li> <li>CLO funds</li> <li>Loan mutual funds</li> <li>Insurance companies</li> </ul>	

# Private Credit: KKR Platform Benefits

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## 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 over 40% 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 OVERVIEW AND RECENT RESULTS

**FSK** | FS KKR Capital Corp.

# Financial Results

(Dollar amounts in millions, except per share data)

	6/30/21	9/30/21	12/31/21	3/31/22	6/30/22
NII per share	\$0.77	\$0.71	\$0.66	\$0.77	\$0.71
Adjusted NII per share <sup>(1)</sup>	\$0.74	\$0.64	\$0.65	\$0.72	\$0.67
Net realized and unrealized gains (losses) per share	\$4.98	\$0.24	(\$0.02)	\$0.02	(\$0.96)
Adjusted net realized and unrealized gains (losses) per share	\$0.87 <sup>(2)</sup>	\$0.31	\$0.03	\$0.07	(\$0.92)
Net increase (decrease) in net assets resulting from operations (earnings per share)	\$5.75	\$0.95	\$0.64	\$0.79	(\$0.26)
Adjusted Net increase (decrease) in net assets resulting from operations (earnings per share)	\$1.64 <sup>(2)</sup>	\$0.95	\$0.64	\$0.79	(\$0.26)
Total stockholder distributions declared per share	\$0.65	\$0.62	\$0.63	\$0.68	\$0.67
Net asset value per share at period end	\$26.84	\$27.14	\$27.17	\$27.33	\$26.41
Weighted average shares outstanding (in millions)	150.4	285.1	284.9	284.3	283.9
Shares outstanding, end of period (in millions)	285.1	285.1	284.5	284.1	283.5
Total investments at fair value	\$14,734	\$15,824	\$16,101	\$16,554	\$16,178
Total assets	\$15,723	\$16,620	\$17,228	\$17,985	\$17,189
Cash <sup>(3)</sup>	\$499	\$241	\$377	\$369	\$269
Total debt <sup>(4)</sup>	\$7,740	\$8,511	\$9,179	\$9,879	\$9,347
Debt-to-equity, Net <sup>(5)</sup>	0.90x	1.03x	1.07x	1.12x	1.15x
Adjusted NII / total stockholder distributions declared	114%	103%	103%	106%	100%

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

2. Excludes the impact of the Merger in Q2 2021. On June 16, 2021, FS KKR Capital Corp. ("FSK") completed its merger (the "Merger") with FS KKR Capital Corp. II. Pursuant to the Merger, FS KKR Capital Corp. II merged with and into FSK, with FSK continuing as the surviving company.

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

4. Principal amount outstanding.

5. 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				
	6/30/21	9/30/21	12/31/21	3/31/22	6/30/22
<b>Investment at Fair Value:</b>					
First Lien Senior Secured Loans	56.4%	61.2%	60.7%	59.9%	61.9%
Second Lien Senior Secured Loans	12.4%	10.6%	9.7%	8.6%	8.0%
Other Senior Secured Debt	1.3%	0.9%	0.7%	0.7%	0.7%
Subordinated Debt	0.7%	0.6%	0.7%	0.5%	0.5%
Asset Based Finance	12.9%	12.6%	13.9%	13.2%	13.1%
Credit Opportunities Partners JV, LLC	9.5%	8.8%	8.7%	8.9%	9.3%
Preferred Equity <sup>(1)</sup>	2.3%	2.4%	2.6%	4.2%	3.9%
Equity/Other	4.5%	2.9%	3.0%	4.0%	2.6%
<b>Total Investments</b>	<b>\$14,734</b>	<b>\$15,824</b>	<b>\$16,101</b>	<b>\$16,554</b>	<b>\$16,178</b>
Number of portfolio companies <sup>(2)</sup>	195	190	189	193	192
<b>Interest Rate Type:<sup>(3)</sup></b>					
% Floating Rate	88.3%	88.1%	87.2%	87.1%	87.4%
% Fixed Rate	11.7%	11.9%	12.8%	12.9%	12.6%
<b>Net Interest Margin:</b>					
Weighted average annual yield on accruing debt investments <sup>(4)</sup>	8.5%	8.1%	8.4%	8.3%	9.2%
Weighted average interest rate on borrowings <sup>(5)</sup>	3.4%	3.2%	3.0%	3.1%	3.5%

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 beginning in Q2 2021. Excluding the impact of the Merger, FSK's weighted average annual yield on all debt investments was 8.6% as of June 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 9.9% on accruing debt investments and 9.3% on all debt investments as of June 30, 2022.

5. Includes the effect of non-usage fees.



# FSK Investment Portfolio Overview

**192**

portfolio companies<sup>(1)</sup>

**18%**

Fair Value in top-10 portfolio companies<sup>(2)</sup>

**71%**

of investments in senior secured debt<sup>(2)</sup>

**\$81mm / 6.1x**

median portfolio company EBITDA & leverage<sup>(3)</sup>

**87%**

of debt investments are floating rate<sup>(4)</sup>

**9.2%**

wtd. avg. annual yield on accruing debt investments<sup>(5)</sup>

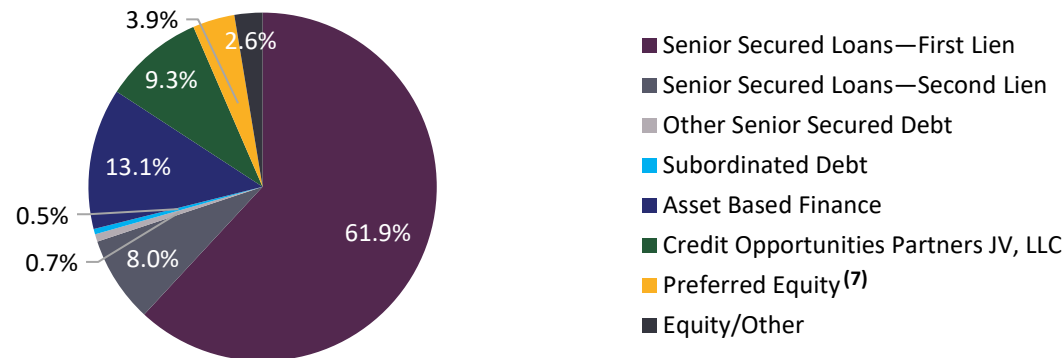
**2.9%**

non-accrual rate at FV

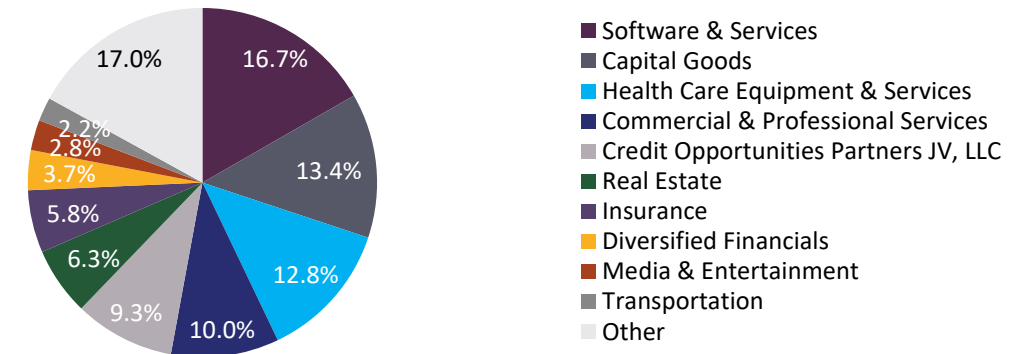
**~85%**

lead, co-lead, or sole origination<sup>(6)</sup>

## Security Exposure (by fair value)



## Sector Exposure (by fair value)

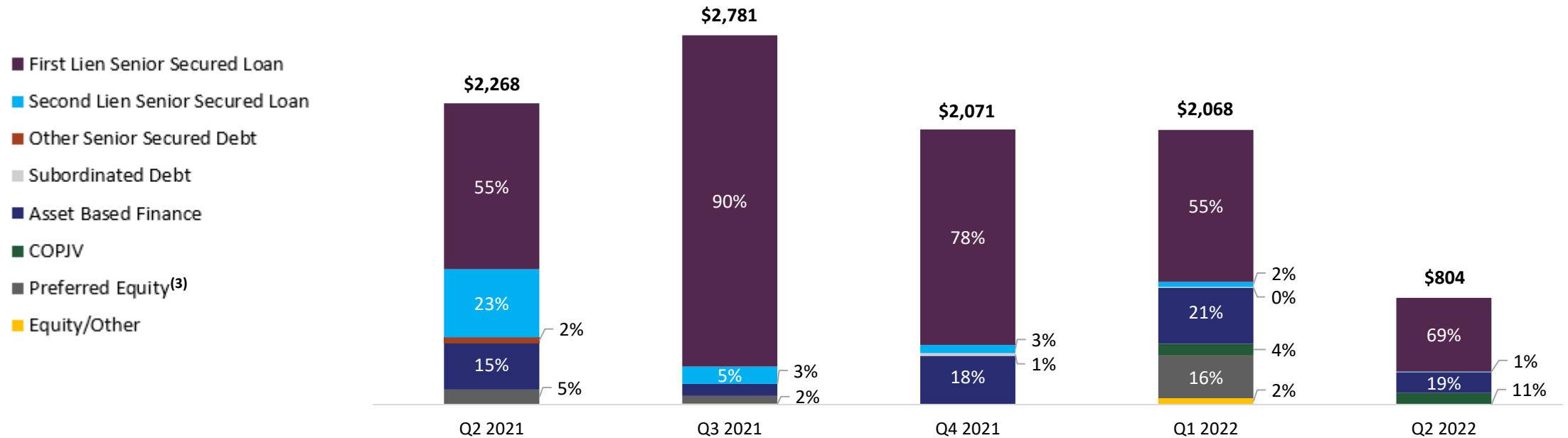


**Total Investment Portfolio at Fair Value: \$16.2bn**

- 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 9.9% as of June 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

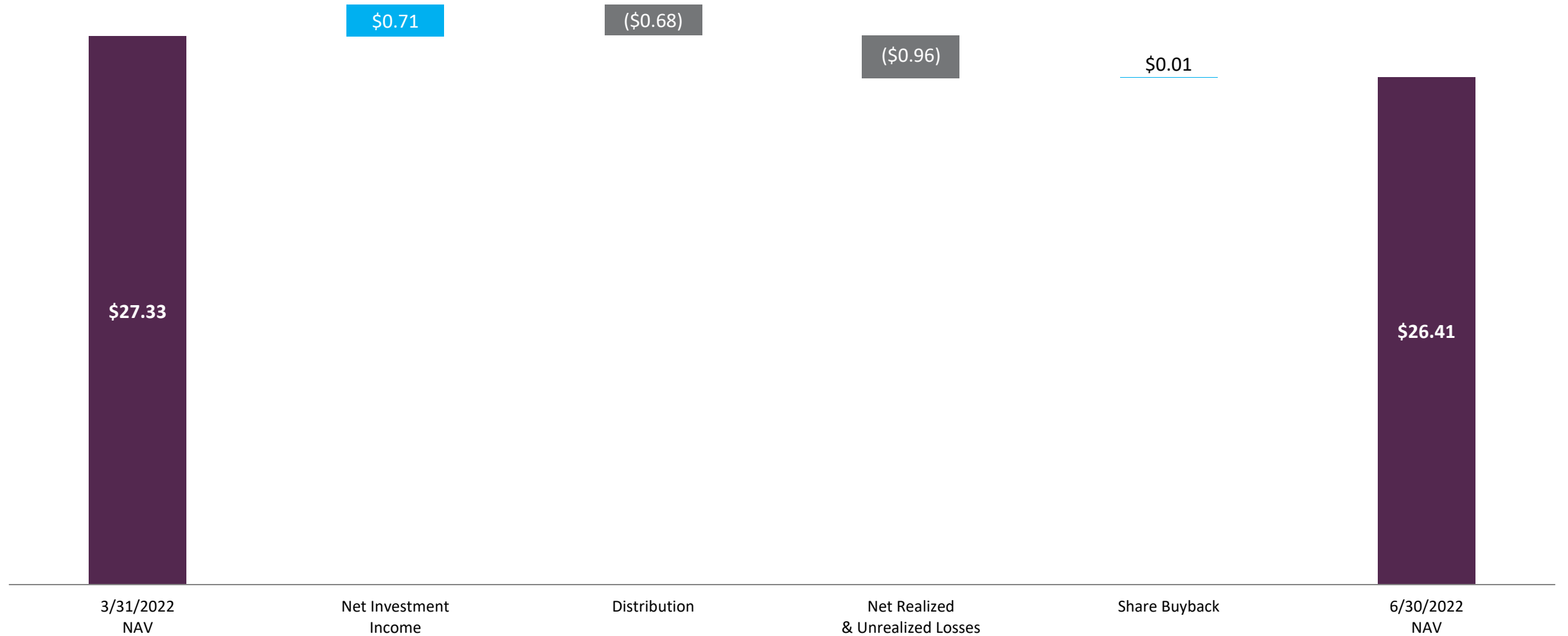
## Asset Mix of New Purchases<sup>(1)(2)</sup>



Portfolio Roll (\$ in millions) <sup>(1)</sup>	6/30/21 <sup>(4)</sup>	9/30/21	12/31/21	3/31/22	6/30/22
Investment Purchases	\$2,268	\$2,781	\$2,071	\$2,068	\$804
Sales and Redemptions <sup>(5)</sup>	(1,769)	(1,806)	(1,855)	(1,673)	(906)
<b>Net Investment Activity</b>	<b>\$499</b>	<b>\$975</b>	<b>\$216</b>	<b>\$395</b>	<b>(\$102)</b>
Net Sales to COPJV	58	364	1,005	554	87
<b>Adjusted Net Investment Activity</b>	<b>\$557</b>	<b>\$1,339</b>	<b>\$1,221</b>	<b>\$949</b>	<b>(\$15)</b>

- Information for all periods is shown pro-forma for the Merger. For illustrative purposes only.
- Any amount less than 0.5% is reflected as zero.
- Included within Equity/Other in FSK's Quarterly and Annual Reports on Form 10-Q and 10-K, respectively.
- Excludes the impact of the Merger. Including the purchase of investments from the Merger, total investment purchases would have been \$9,945.
- 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.

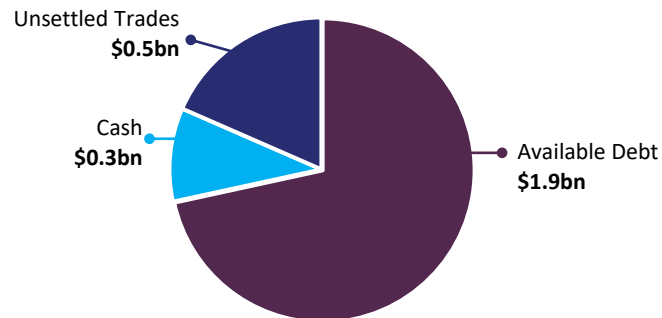
# Capital Structure: Overview

## Key Highlights

- 1.15x Net Debt-to-Equity as of June 30, 2022, compared to 1.12x as of March 31, 2022<sup>(1)</sup>
- 3.51% weighted average effective rate on borrowings as of June 30, 2022, compared to 3.14% as of March 31, 2022<sup>(2)</sup>
- Rated Investment Grade by Moody's (Baa3) Stable, Fitch (BBB-) Stable & Kroll (BBB) Stable
- Redeemed \$450mm 4.75% unsecured bonds due 2022 effective April 15
- In the second quarter, FSK amended and upsized its Senior Secured Revolver to, among other things, increase the total commitment by \$455mm to \$4,655mm and extend the maturity from 2025 to 2027
- 51% of drawn leverage is unsecured as of June 30, 2022

## Liquidity Analysis

6/30/2022 Liquidity: \$2.7bn



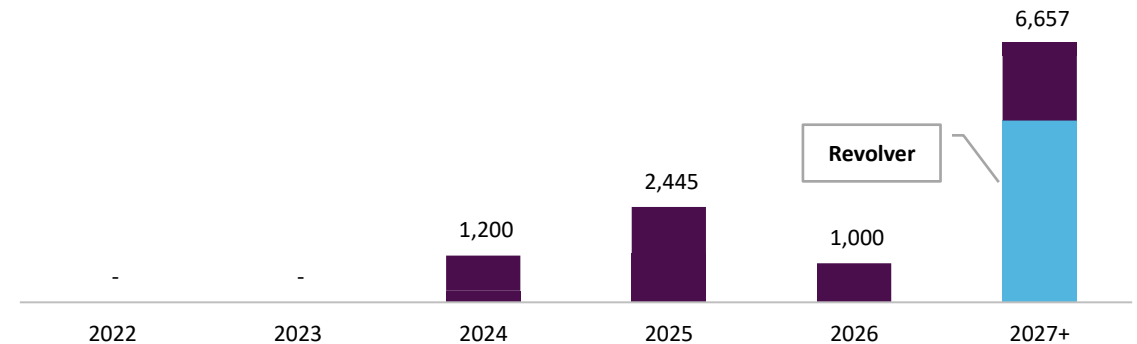
1. Net debt-to-equity ratio is debt outstanding, net of cash and foreign currency and net payable/receivable for investments purchased/sold and repaid, divided by net assets.
2. Weighted average effective interest rate on borrowings, including the effect of non-usage fees.
3. Amount available for borrowing reduced by any standby letters of credit issued. As of June 30, 2022, \$12mm of such letters of credit have been issued.

## Capital Structure Overview

Funding Source	Committed	Outstanding	Undrawn	Maturity	Wtd. Avg. Rate
Senior Secured Revolver due 2025	4,655	2,809	1,834 <sup>(3)</sup>	5/17/2027	S+1.75% - 1.88%
Additional Bilateral Facilities	1,550	1,441	109	Various	Various
<b>Total Secured</b>	<b>6,205</b>	<b>4,250</b>	<b>1,943</b>		
FS KKR MM CLO 1	352	352	-	1/15/2031	L+1.85% - 3.01%
<b>Total CLO</b>	<b>352</b>	<b>352</b>	<b>-</b>		
4.625% Notes due 2024	400	400	-	7/15/2024	4.625%
1.650% Notes due 2024	500	500	-	10/12/2024	1.650%
4.125% Notes due 2025	470	470	-	2/1/2025	4.125%
4.250% Notes due 2025	475	475	-	2/14/2025	4.250%
8.625% Notes due 2025	250	250	-	5/15/2025	8.625%
3.400% Notes due 2026	1,000	1,000	-	1/15/2026	3.400%
2.625% Notes due 2027	400	400	-	1/15/2027	2.625%
3.250% Notes due 2027	500	500	-	7/15/2027	3.250%
3.125% Notes due 2028	750	750	-	10/12/2028	3.125%
<b>Total Unsecured</b>	<b>4,745</b>	<b>4,745</b>	<b>-</b>		
<b>TOTAL</b>	<b>11,302</b>	<b>9,347</b>	<b>1,943</b>		<b>3.51%<sup>(2)</sup></b>

## Long Term Maturity Ladder

100% of our liabilities mature 2024 and beyond



# Credit Opportunities Partners JV, LLC Overview

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

- > **Primarily senior secured assets**

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

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- > **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

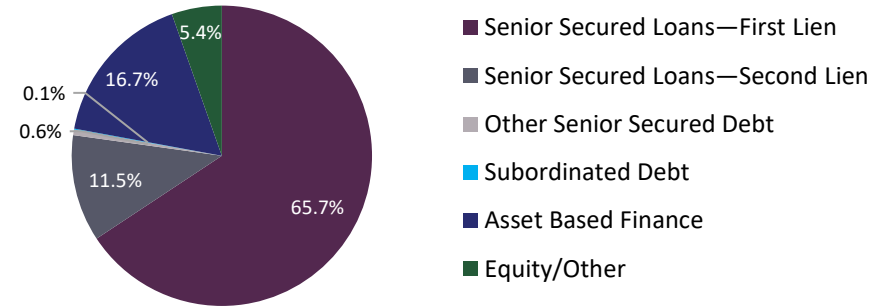
## June 30, 2022 update

- > **Portfolio**
  - Fair value of investments was \$3.6bn
  - 93% floating rate debt investments

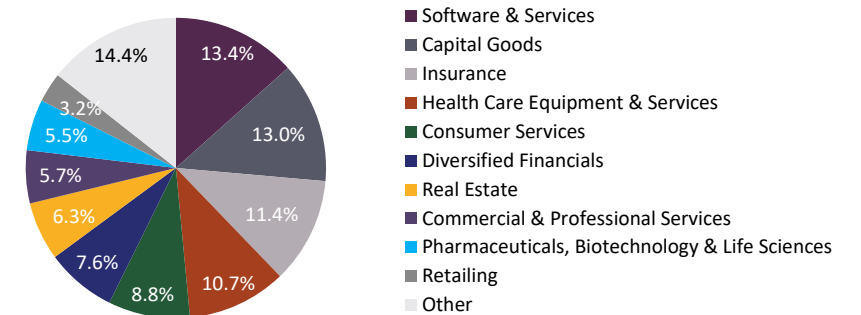
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- > **Key stats**
  - NAV of \$1.7bn (FSK's equity of COPJV was \$1.5bn)
  - \$640mm of uncalled equity capital (\$560mm allocated to FSK)
  - 1.09x net debt-to-equity ratio<sup>(1)</sup>

## Security Exposure (by fair value)

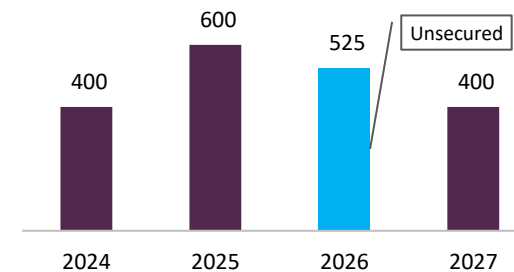


## Sector Exposure (by fair value)



## Capital Structure

### Long Term Maturity Ladder



**Total debt:** committed \$1.9bn, funded \$1.6bn

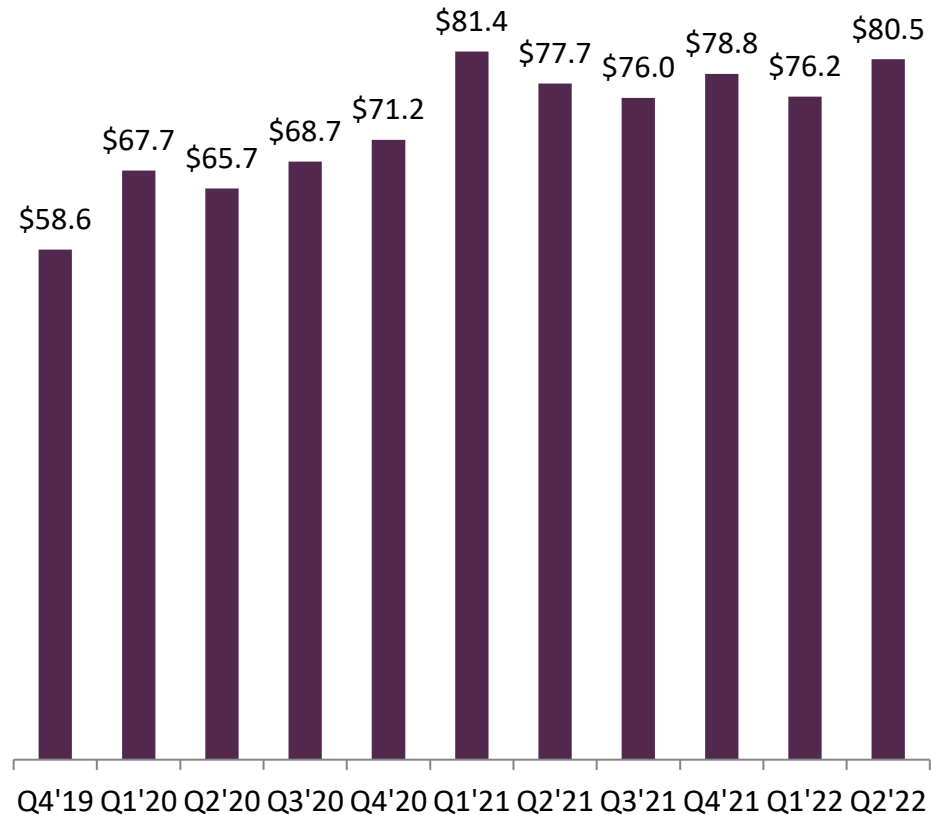
**Unsecured debt:** 27% committed, 32% drawn

**Wtd. average interest rate on borrowings:** 3.64%<sup>(2)</sup>

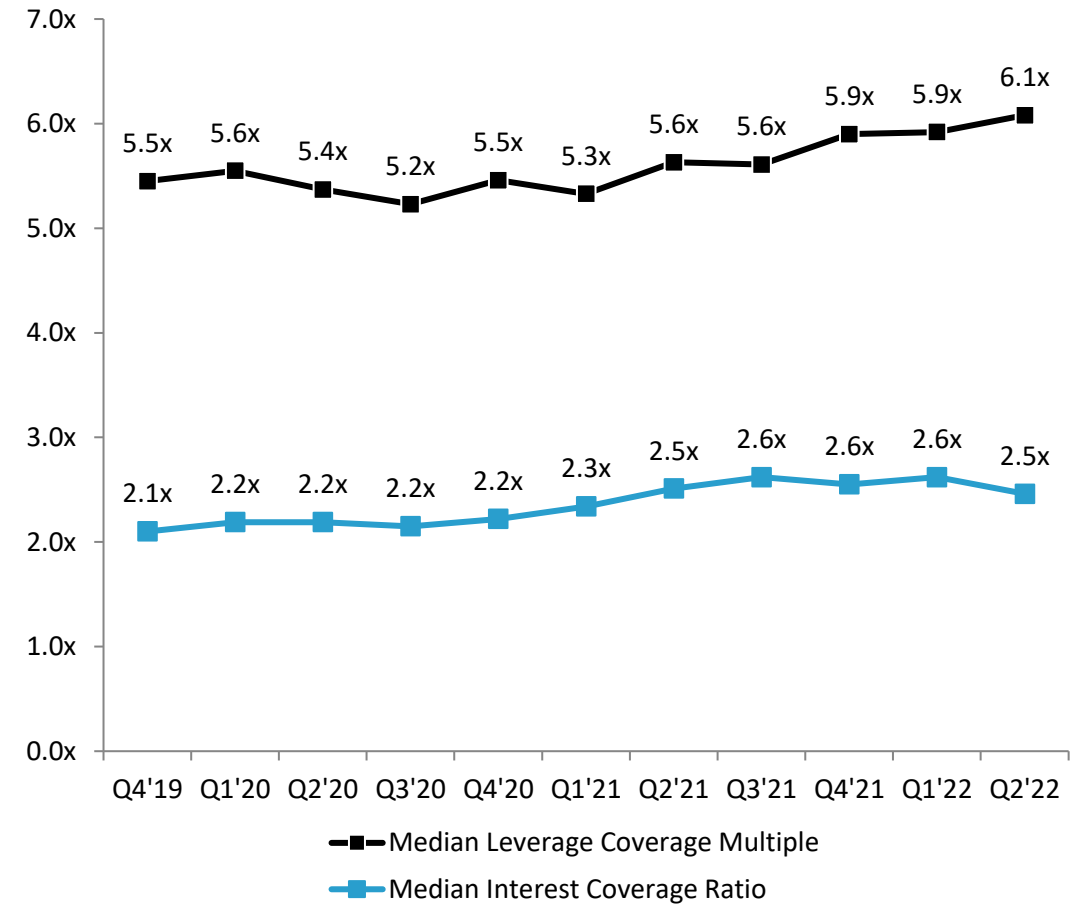
1. Net debt-to-equity ratio is debt outstanding, net of cash and foreign currency and net payable/receivable for investments purchased/sold and repaid, divided by net assets.  
 2. Includes the effect of non-usage fees.

# 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 \$178.4 million as of June 30, 2022.

# Average Investment Characteristics

Since FS/KKR Advisor commenced managing FSK in Q2 2018

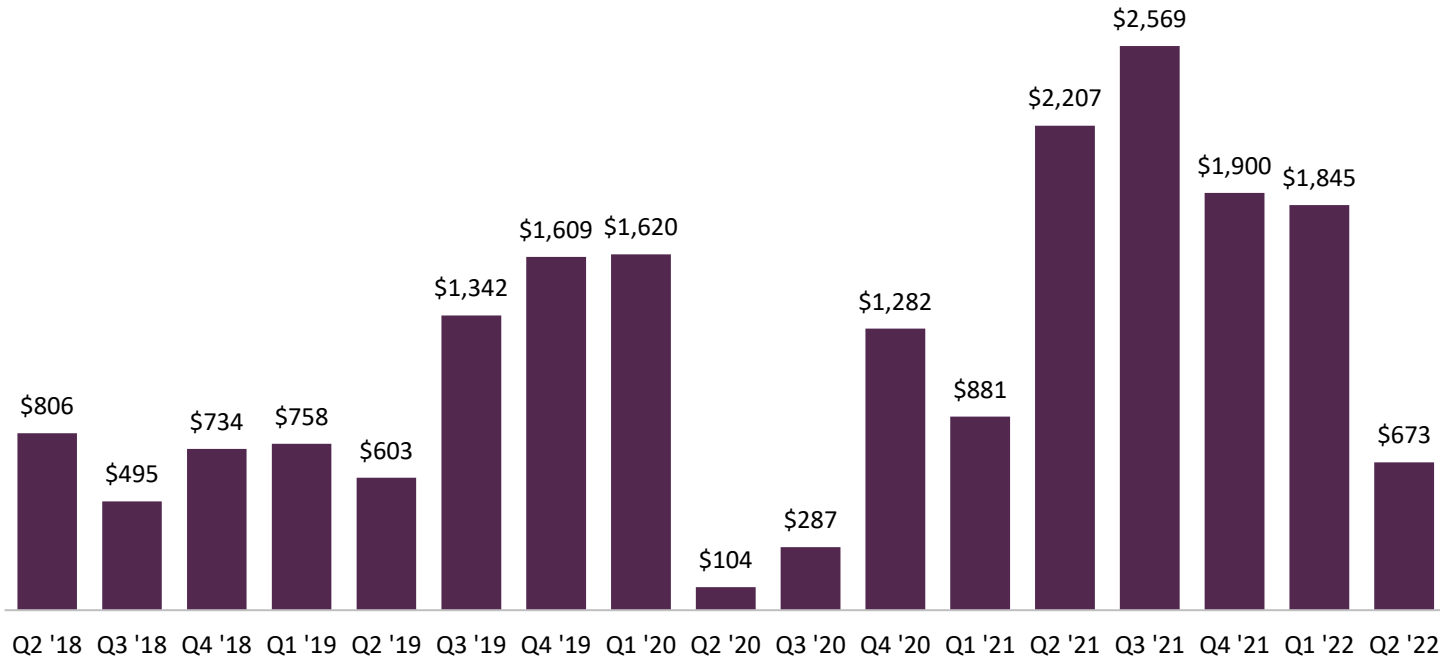
	First Lien Loans	Second Lien Loans
<b>EBITDA<sup>1</sup></b>	\$132mm	\$444mm
<b>Leverage<sup>1</sup></b>	5.6x	6.4x
<b>Interest Coverage<sup>1</sup></b>	2.9x	2.4x
<b>Maintenance Covenant<sup>1</sup></b>	83%	6%
<b>KKR Lead Deal<sup>1</sup></b>	85%	78%
<b>Spread<sup>1</sup></b>	6.13%	8.18%
<b>Base Rate Floor<sup>1</sup></b>	0.81%	0.57%
<b>Call Protection<sup>1</sup></b>	96%	100%
<b>Total Loan Size<sup>2</sup></b>	\$337mm	\$269mm

1. Weighted average.

2. Average total loan size outstanding per investment.

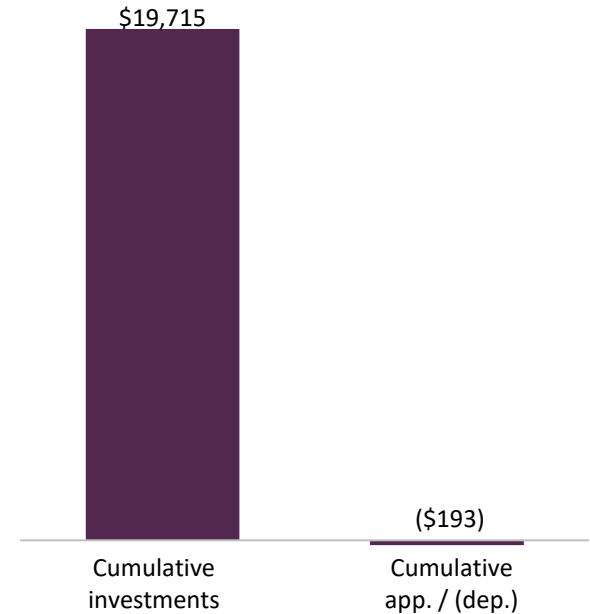
# FS/KKR Advisor Performance

FS/KKR New Investments by Quarter (\$mm)



Performance of new investments (\$mm)<sup>(1)(2)</sup>

Q2 2018 to Q2 2022



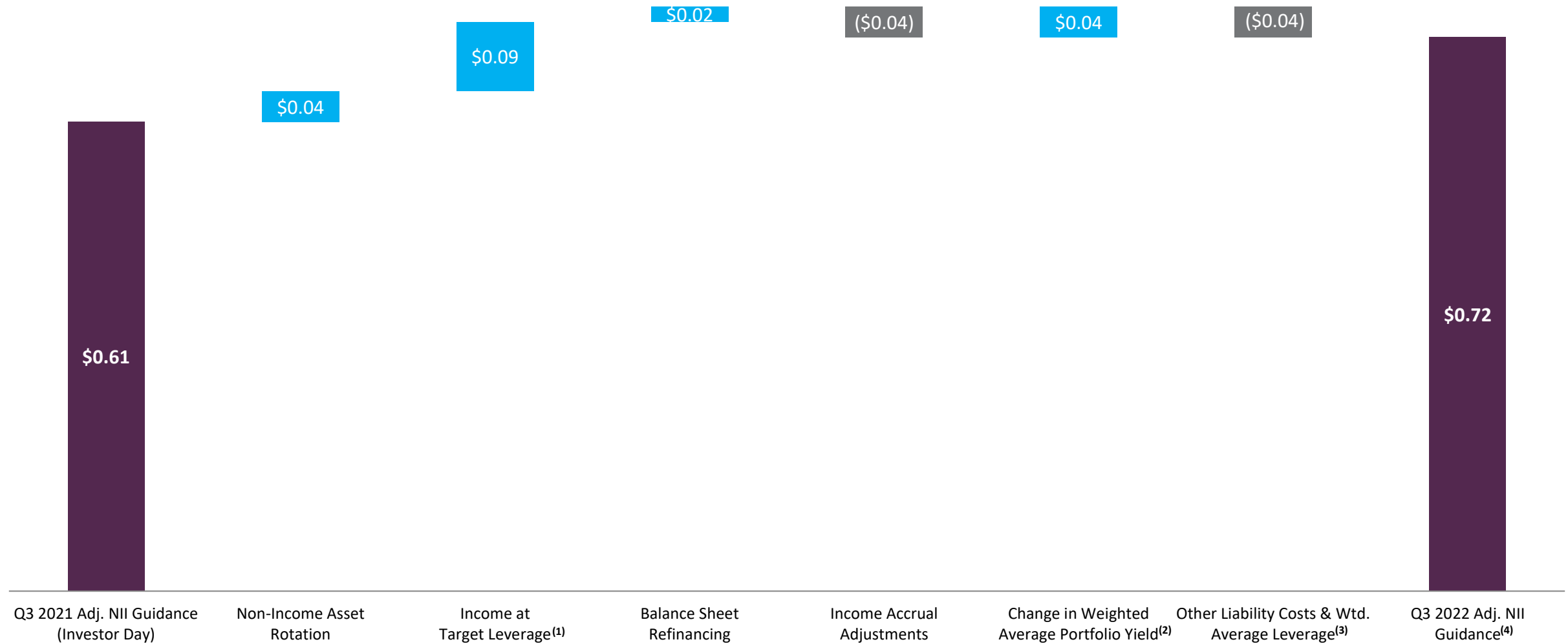
- Deployed \$19.7bn in new investments as of June 30, 2022
- Unlevered investment IRR of 8.8% on FS/KKR originated investments<sup>(3)</sup>
- Annualized cumulative depreciation totaled 0.23% as of June 30, 2022

Note: Advisor formed in April 2018.

1. Data pro-forma for FSK and FSKR for the respective time periods. Looks through to portfolio companies held solely in COPJV.
2. Appreciation and depreciation is the sum of realized gains/losses over the period and unrealized gains/losses as of the end of the period. Excludes markup to fair value on FSKR assets purchased at a discount during merger.
3. Includes all investments originated by the FS/KKR Advisor since April 2018. Does not include the impact of leverage. Uses the market value plus any accrued interest as of June 30, 2022 as the ending amount for investments that are still in the portfolio. Not representative of shareholder returns.



# NII Growth Opportunities – September 2021 Investor Day Bridge



Note: Per share data based on shares outstanding at end of period. Numbers may not sum due to rounding.

1. Does not include the positive effect of ~\$0.01 per share of future income from recent Asset Based Finance investments which are in the ramping phase.
2. Reflects the change in weighted average portfolio yield from 8.5% in Q2 2021 to 9.2% in Q2 2022.
3. Reflects the impact of operating at higher effective leverage during Q2/Q3 2022.
4. Please see the Forward-Looking Statements disclaimer on page 33 of the presentation.



# KKR CREDIT ESG POLICY

**FSK** | FS KKR Capital Corp.

# 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				
	6/30/21	9/30/21	12/31/21	3/31/22	6/30/22
Total investment income	\$206	\$360	\$364	\$396	\$379
Net expenses	(90)	(159)	(163)	(176)	(176)
<b>Net investment income before taxes</b>	<b>\$116</b>	<b>\$201</b>	<b>\$201</b>	<b>\$220</b>	<b>\$203</b>
Excise taxes	-	-	(12)	-	-
<b>Net investment income</b>	<b>\$116</b>	<b>\$201</b>	<b>\$189</b>	<b>\$220</b>	<b>\$203</b>
Plus: excise taxes	-	-	12	-	-
Plus: net merger accretion and one-time expenses <sup>(1)</sup>	(4)	(20)	(16)	(14)	(13)
<b>Adjusted net investment income<sup>(2)</sup></b>	<b>\$112</b>	<b>\$181</b>	<b>\$185</b>	<b>\$206</b>	<b>\$190</b>
Total net unrealized and realized gains (losses)	749	69	(5)	5	(273)
Realized loss on extinguishment of debt	-	-	(3)	-	-
Provision for taxes on realized gains on investments	-	-	-	-	(3)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$865</b>	<b>\$270</b>	<b>\$181</b>	<b>\$225</b>	<b>(\$73)</b>
<b>Per Share:</b>					
Net investment income	\$0.77	\$0.71	\$0.66	\$0.77	\$0.71
Adjusted net investment income <sup>(2)</sup>	\$0.74	\$0.64	\$0.65	\$0.72	\$0.67
Net increase (decrease) in net assets results from operations	\$5.75	\$0.95	\$0.64	\$0.79	(\$0.26)
Stockholder distributions	\$0.60	\$0.65	\$0.62	\$0.63	\$0.68
Weighted average shares outstanding (millions)	150.4	285.1	284.9	284.3	283.9
Shares outstanding, end of period (millions)	285.1	285.1	284.5	284.1	283.5

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				
	6/30/21	9/30/21	12/31/21	3/31/22	6/30/22
<b>Investment income:</b>					
Interest income	\$111	\$239	\$245	\$261	\$247
Payment-in-kind interest income	18	35	37	43	40
Fee income	23	31	26	29	13
Total dividend and other income	54	55	56	63	79
<b>Total investment income</b>	<b>\$206</b>	<b>\$360</b>	<b>\$364</b>	<b>\$396</b>	<b>\$379</b>
<b>Operating expenses:</b>					
Investment advisory fees & expenses	30	58	60	62	63
Interest expense	46	70	73	77	83
Incentive fees <sup>(1)</sup>	8	20	19	25	22
Other operating expenses	6	11	11	12	8
<b>Total operating expenses</b>	<b>\$90</b>	<b>\$159</b>	<b>\$163</b>	<b>\$176</b>	<b>\$176</b>
Net investment income before taxes	116	201	201	220	\$203
Income taxes, including excise taxes	-	-	(12)	-	-
<b>Net investment income</b>	<b>\$116</b>	<b>\$201</b>	<b>\$189</b>	<b>\$220</b>	<b>\$203</b>
Total net unrealized and realized gains (losses)	749	69	(5)	5	(273)
Realized loss on extinguishment of debt	-	-	(3)	-	-
Provision for taxes on realized gains on investments	-	-	-	-	(3)
<b>Net increase in net assets resulting from operations</b>	<b>\$865</b>	<b>\$270</b>	<b>\$181</b>	<b>\$225</b>	<b>(\$73)</b>

1. Net of the \$15 million incentive fee waiver beginning in Q3 2021. The FS/KKR 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				
	6/30/21	9/30/21	12/31/21	3/31/22	6/30/22
<b>Assets</b>					
Total investments, at fair value	\$14,734	\$15,824	\$16,101	\$16,554	\$16,178
Cash	485	229	258	362	232
Foreign currency, at fair value	14	12	119	7	37
Receivable for investments sold and repaid	325	365	567	856	498
Income receivable	140	163	153	176	190
Unrealized appreciation on foreign currency forward contracts	2	6	9	10	24
Deferred financing costs	14	15	16	15	24
Prepaid expenses and other assets	9	6	5	5	6
<b>Total Assets</b>	<b>\$15,723</b>	<b>\$16,620</b>	<b>\$17,228</b>	<b>\$17,985</b>	<b>\$17,189</b>
<b>Liabilities</b>					
Payable for investments purchased	-	\$57	\$2	\$33	\$27
Debt	7,720	8,492	9,142	9,835	9,306
Unrealized depreciation on derivative instruments	2	1	1	1	0
Shareholders' distributions payable	168	186	176	179	193
Interest Payable	65	55	70	66	77
Other liabilities <sup>(1)</sup>	115	93	107	104	99
<b>Total Liabilities</b>	<b>\$8,070</b>	<b>\$8,884</b>	<b>\$9,498</b>	<b>\$10,218</b>	<b>\$9,702</b>
<b>Total Net Assets</b>	<b>\$7,653</b>	<b>\$7,736</b>	<b>\$7,730</b>	<b>\$7,767</b>	<b>\$7,487</b>
<b>Net Asset Value per Share</b>	<b>\$26.84</b>	<b>\$27.14</b>	<b>\$27.17</b>	<b>\$27.33</b>	<b>\$26.41</b>

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				
	6/30/21	9/30/21	12/31/21	3/31/22	6/30/22
<b>Realized gain/loss</b>					
Net realized gain (loss) on investments:					
Non-controlled/unaffiliated investments	\$1	\$60	\$50	(\$26)	\$177
Non-controlled/affiliated investments	64	139	(11)	(6)	45
Controlled/affiliated investments	(13)	(2)	9	-	(39)
Net realized gain (loss) on foreign currency forward contracts	-	-	-	5	2
Net realized gain (loss) on foreign currency	(1)	(1)	(3)	1	6
<b>Total net realized gain (loss)</b>	<b>\$51</b>	<b>\$196</b>	<b>\$45</b>	<b>(\$26)</b>	<b>\$191</b>
<b>Unrealized gain/loss</b>					
Net change in unrealized appreciation (depreciation) on investments:					
Non-controlled/unaffiliated investments	\$466	(\$49)	(\$48)	(\$40)	(\$251)
Non-controlled/affiliated investments	142	(104)	29	30	(71)
Controlled/affiliated investments	76	11	(37)	37	(184)
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	2	5	4	1	15
Net change in unrealized gain (loss) on foreign currency	12	10	2	3	27
<b>Total net unrealized gain (loss)</b>	<b>\$698</b>	<b>(\$127)</b>	<b>(\$50)</b>	<b>\$31</b>	<b>(\$464)</b>
<b>Total net realized and unrealized gain (loss)</b>	<b>\$749</b>	<b>\$69</b>	<b>(\$5)</b>	<b>\$5</b>	<b>(\$273)</b>



# Important Disclosure Notice

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## Forward-Looking Statements

Statements included herein may constitute “forward-looking” statements as that term is defined in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995, including statements with regard to future events or the future performance or operations of FS KKR Capital Corp. (“FSK”). Words such as “believes,” “expects,” “projects,” and “future” or similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to the inherent uncertainties in predicting future results and conditions. Certain factors could cause actual results to differ materially from those projected in these forward-looking statements. Factors that could cause actual results to differ materially include changes in the economy, geo-political risks, risks associated with possible disruption to FSK’s operations or the economy generally due to terrorism, natural disasters or pandemics such as COVID-19, future changes in laws or regulations and conditions in FSK’s operating area, and the price at which shares of FSK’s common stock trade on the New York Stock Exchange. Some of these factors are enumerated in the filings FSK made with the U.S. Securities and Exchange Commission (the “SEC”). The inclusion of forward-looking statements should not be regarded as a representation that any plans, estimates or expectations will be achieved. Any forward-looking statements speak only as of the date of this communication. Except as required by federal securities laws, FSK undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

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Non-GAAP financial measures are not meant to be considered in isolation or as a substitute for comparable GAAP financial measures and should be read only in conjunction with FSK’s consolidated financial statements prepared in accordance with GAAP.

Certain figures in this presentation have been rounded.

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