

FS | KKR

FSK | FS KKR Capital Corp.

FSKR | FS KKR Capital Corp. II

FS KKR BDC Franchise

Investor Presentation

MARCH 2021

FS | KKR

FSK | FS KKR Capital Corp.

FSKR | FS KKR Capital Corp. II

FS KKR Advisor & Market Overview



FS KKR: at a Glance

FS | KKR

Size & Scale

- Two BDCs (FSK and FSKR) totalling ~\$16bn in assets integrated within KKR's \$78bn credit platform
- ~140⁽¹⁾ dedicated KKR Credit investment professionals

Market Reach

- Global financial sponsor and corporate borrower relationships
- Investment and leadership team with significant industry experience

Scope

- Primarily focused on upper middle market companies (\$50–100mm in EBITDA)
- Focused on U.S. senior secured debt financings

FS KKR: Competitive Advantages

~**\$16bn**
of assets in the
combined FS KKR
BDC franchise

Ability to make
individual investments
up to **\$1bn**

Direct access to full
KKR
investment
network

Lead, Co-lead or Sole
Lender in **>95%**
of total deals¹

Cumulative
KKR Credit
commitments
of approximately
\$36bn²

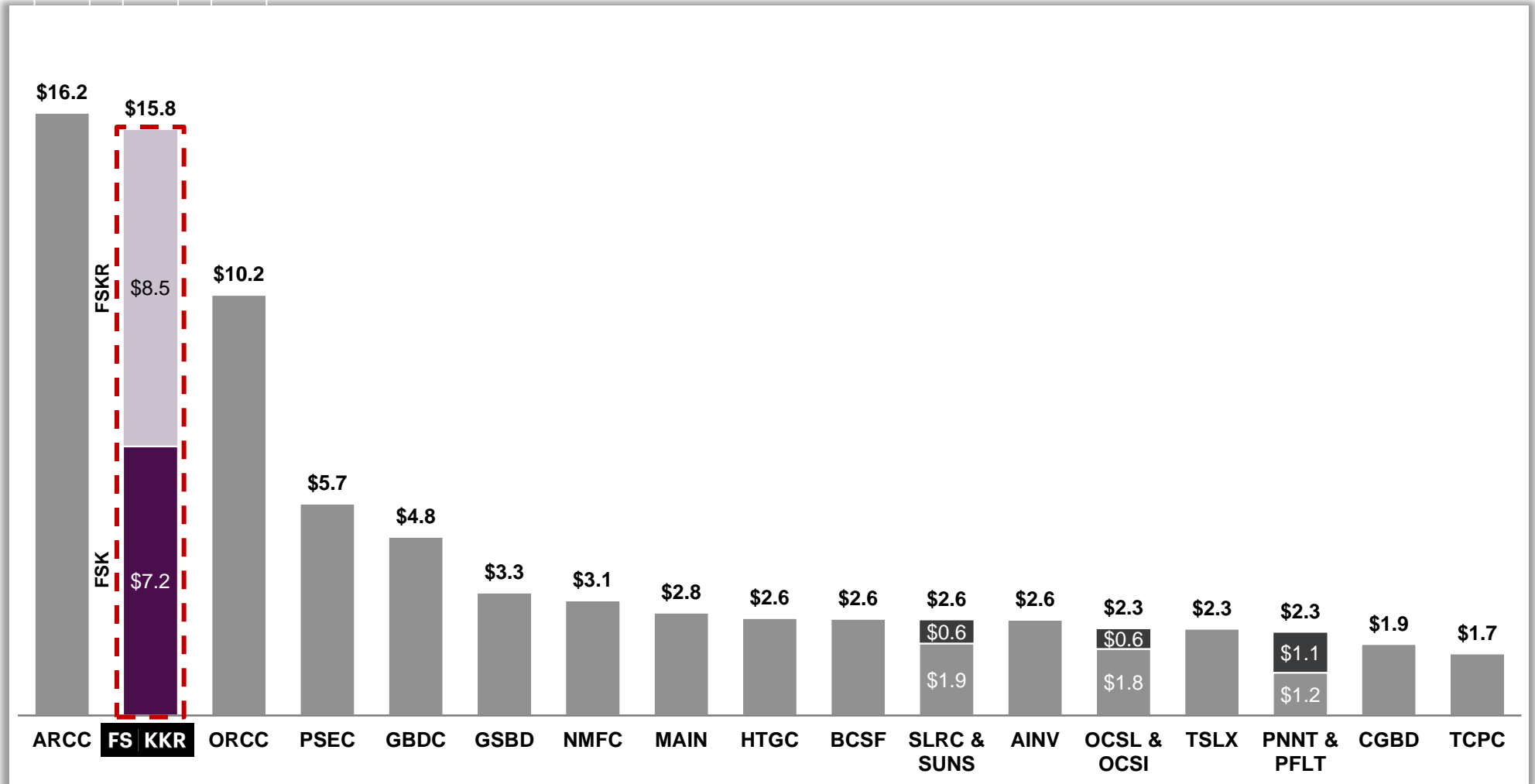
Below average loss
rate of **0.73%**^{3,4}

Note: As of December 31, 2020 unless otherwise noted.

1. Figure based on count 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.
2. Gross dollars invested inclusive of new transactions, follow-ons, and delayed draws and represents the aggregate amount of capital that has been invested by all of KKR Credit's investment vehicles in private credit strategies and is used as a measure of investment activity for KKR Credit in a given period.
3. Stats from 2011–2020, includes KKR origination activity & defaults for Corporate Capital Trust, Inc. ("CCT"), Corporate Capital Trust II ("CCT II"), KKR Lending Partners ("KLP"), KKR Lending Partners II ("KLP II"), KKR Lending Partners III ("KLP III") since inception date and FSK, FSKR, FS Investment Corp. III ("FSIC III"), FS Investment Corp. IV ("FSIC IV") from 2Q18–4Q20.
4. Loss rate is Default Rate * Recovery. KKR total recovery calculated as local currency cash on cash for both 1) life of defaulted investment plus 2) any defensive investments made after default; for 2011–2020; number includes interest, fees, principal proceeds, and related expenses. Default is constant default rate for 2011–2020.

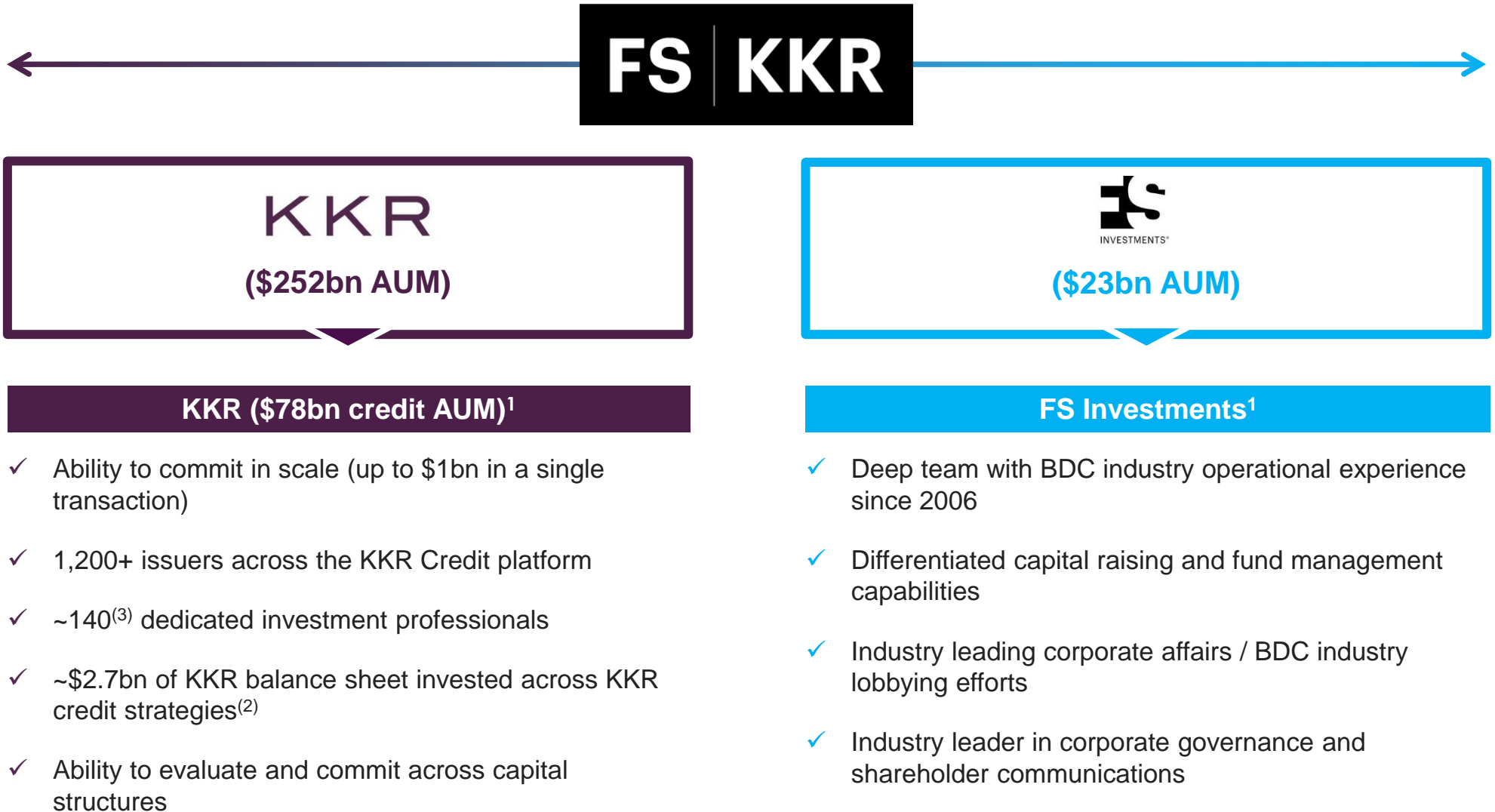
FS KKR: Market Leading BDC Franchise

Total Assets Under Management Ranked by BDC Advisor/Manager (\$bn)¹



1. As of December 31, 2020

FS KKR Advisor Overview



1. As of December 31, 2020.


2. As of December 31, 2020. 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.

3. As of March 2021

KKR is a Leading Alternative Asset Manager


Established in 1976, KKR is a Leading Investment Firm with over Four Decades of Investing Experience

KKR at a Glance




20 Offices
across 4 continents

~\$22bn
balance sheet invested
in KKR strategies
alongside our clients



500+
investment
professionals
(~140² KKR Credit)

Aligned Interests
results-driven economic
incentives with \$2.7bn of
KKR's balance sheet
committed across KKR
credit strategies¹



Total Assets Under Management

\$252bn

Private Markets
\$149bn

- Private Equity
- Private Credit
- Infrastructure
- Real Estate
- Energy

Public Markets
\$103bn

- Leveraged Credit
- Private Credit
- Dislocation Opportunities²
- Strategic Partnerships

KKR Credit Assets Under Management

\$78bn

Leveraged Credit
\$45bn

Private Credit
\$25bn

Dislocation Opportunities²
\$8bn

Note: AUM figures as of December 31, 2020. Please see "Important Information" for important information regarding the calculation of AUM.

- 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.
- Includes legacy Special Situations strategy. As of February 2021.

Key KKR Credit Platform Highlights

Large, Scalable Platform	<ul style="list-style-type: none">• \$78bn of credit AUM• ~140⁴ dedicated KKR investment professionals across 9 cities and 7 countries• 1,200+ issuers across the KKR credit platform
Disciplined Investment Process	<ul style="list-style-type: none">• “PE-style” KKR-led due diligence standard• Fundamental credit investment philosophy based on rigorous financial analysis• Assets pass through multiple credit committee reviews prior to final approval
Proven Track Record	<ul style="list-style-type: none">• ~\$36bn originated over the last eight years across Direct Lending & Private Opportunistic Credit¹• Strong credit performance evidenced by below average loss rate of 0.73%^{2,3}
Exemptive Relief Across BDCs & Other Funds	<ul style="list-style-type: none">• Credit exposure is shared ratably across KKR Credit, including BDCs, private funds and SMAs• Scale allows the KKR credit platform to speak for significant capital commitments without compromising the benefits of diversification
Team Structure	<ul style="list-style-type: none">• Meaningful focus over last several years to build out and institutionalize the private credit platform• Ability to capitalize on full KKR credit origination platform
Benefits of KKR	<ul style="list-style-type: none">• KKR Credit actively utilizes KKR resources including Private Equity, KCM, KKR Macro Team, and KKR Capstone• Size and scale of broader firm important to BDC franchise

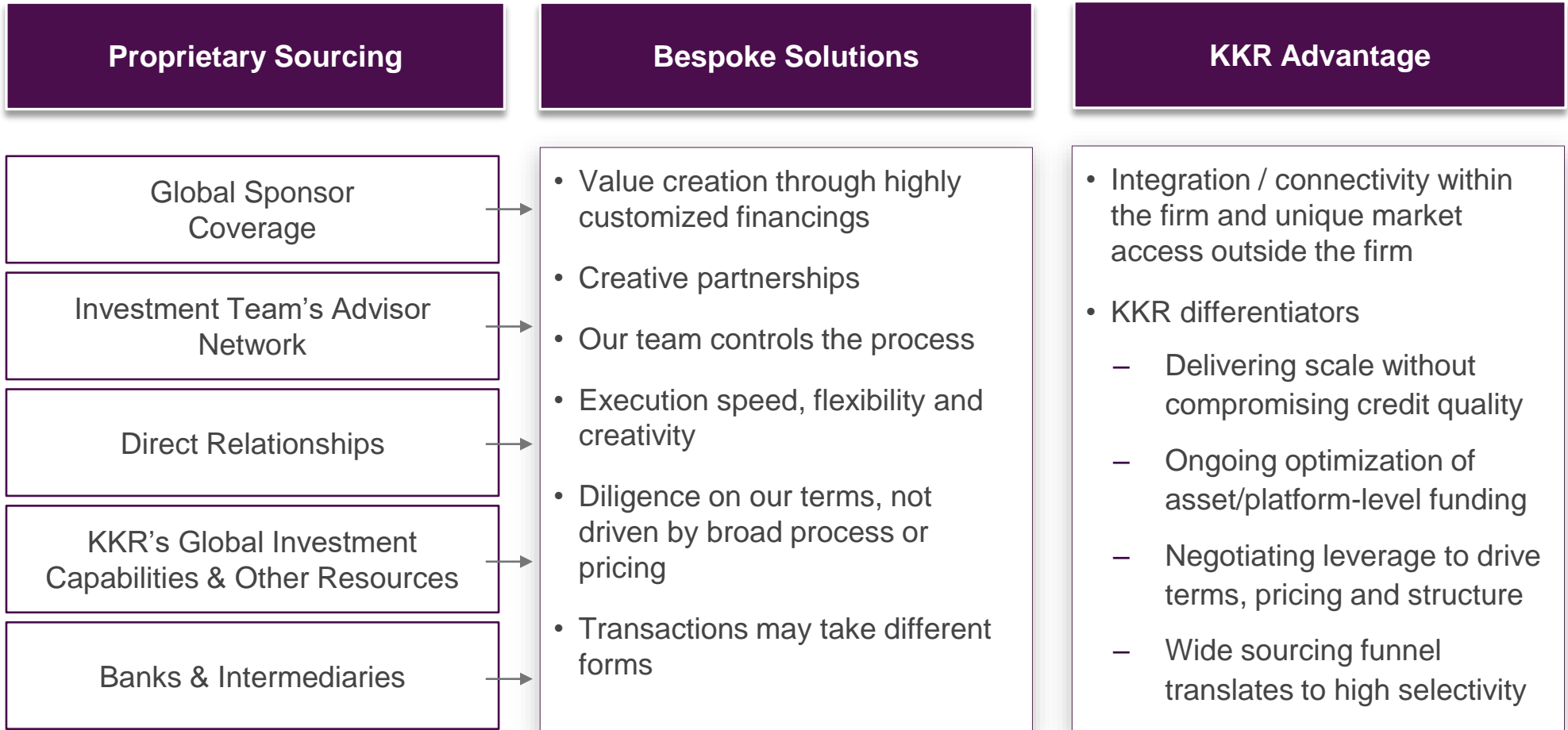
1. Gross dollars invested inclusive of new transactions, follow-ons, and delayed draws and represents the aggregate amount of capital that has been invested by all of KKR Credit's investment vehicles in private credit strategies and is used as a measure of investment activity for KKR Credit in a given period.

2. Stats from 2011–2020, includes KKR origination activity & defaults for CCT, CCT II, KLP, KLP II, KLP III since inception date and FSK, FSKR, FSIC III, FSIC IV from 2Q'18–4Q'20.

3. Loss rate is Default Rate * Recovery. KKR total recovery calculated as local currency cash on cash for both 1) life of defaulted investment plus 2) any defensive investments made after default; for 2011–2020; number includes interest, fees, principal proceeds, and related expenses. Default is constant default rate for 2011–2020.

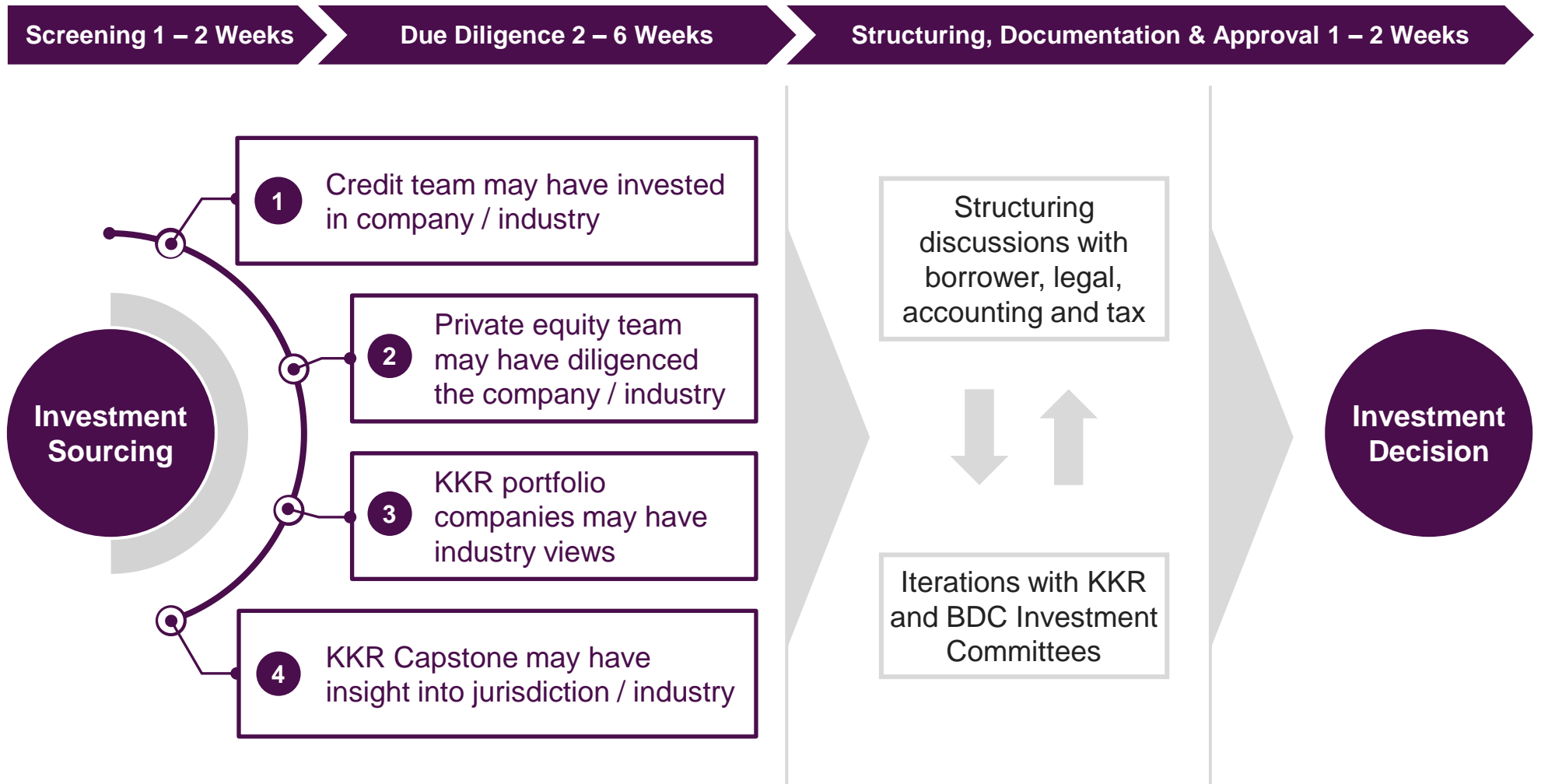
4. As of March 2021

KKR's Proprietary Origination Network



KKR's team is constantly mining for the best relative value opportunities and striving to excel in structuring, executing and scaling investments

Rigorous Investment Review Process



KKR's investment process combines multiple touchpoints within the firm

Highly Selective and Disciplined Origination

Recent Sourcing Activities¹

	2017	2018	2019	2020
Evaluated	~750	~1,200	~1,400	~1,500
Discussed in Investment Committee	~175	~200	~300	~300
New Deals Closed	39	39	40	41
Close Rate	~5%	~3%	~3%	~3%

BDC Franchise Activity²

	2020
Originated Deals Funded	\$4.5bn
Originated Sales and Paydowns	\$3.3bn
Net Originated Activity	\$1.2bn

KKR's deep origination network generates significant investment opportunities

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

KKR Credit Platform: Tangible Results

Commit In Size



- Committed \$363mm to an \$800mm Second Lien Term Loan
- Provided \$182mm of a \$600mm Preferred Equity Tranche



- Sole Lender
- Committed to a \$415mm First Lien Term Loan with a \$200mm Delayed Draw Term Loan

Find Hidden Value



- Supported Sycamore's carveout of the Canadian business
- No direct competitor, Amazon penetration significantly lower, stable cash flow with ability to de-lever



- KKR uniquely positioned to analyze business; industry knowledge created structuring advantage
- Leveraged KKR Partner General Petraeus and the KKR Global Institute

Be Creative



- U.S. residential bridge loan purchasing company
- Built de novo platform backing seasoned management team



- Short maturity and elevated amortization
- Significant pricing premium to comps
- Ability to lead large transactions

Navigate Challenging Situations



- Exited through lender prewired sale / refi process with milestones and penalties



- Drove out-of-court restructuring with advantageous outcome and board representation

Exemptive Relief Aligns Stakeholders' Interests

Targeted Investments

Asset Classes

- Senior Secured
- *First Lien*
- *Second Lien*
- Asset Based Finance

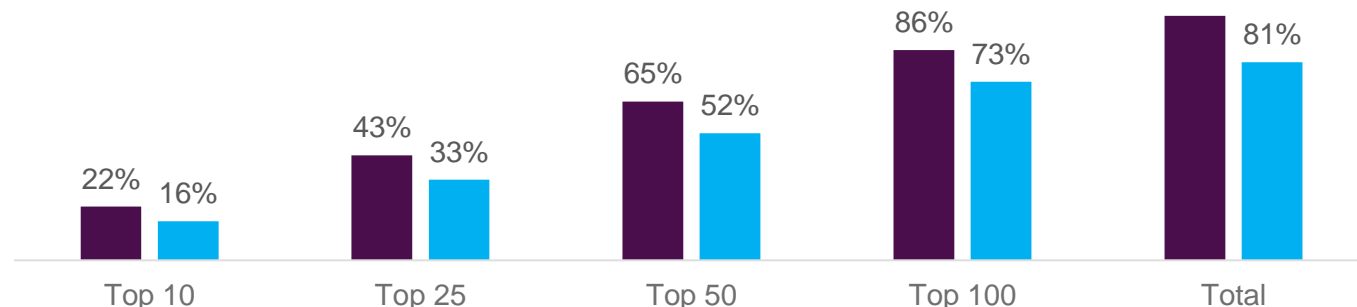
Uses of Capital

- Growth
- M&A
- LBOs
- Carve-outs
- Recapitalizations

Portfolio Overlap between FSK and FSKR¹

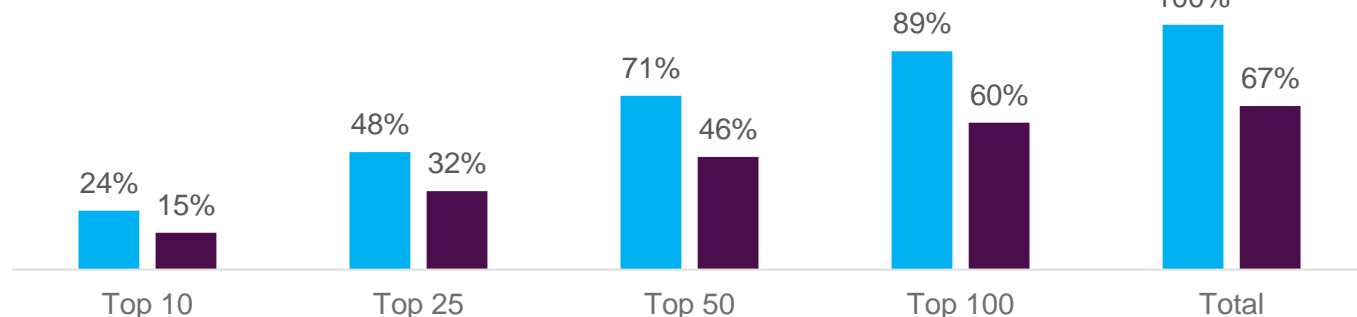
FSK Top Holdings
(as % of Portfolio FMV)

■ FSK ■ FSKR



FSKR Top Holdings
(as % of Portfolio FMV)

■ FSKR ■ FSK



- SEC exemptive relief across KKR Credit platform ensures strong alignment of interest
- FS / KKR Advisor is fully incentivized to deliver strong risk-adjusted returns across the Private Credit / BDC platform
- Investment allocation across vehicles occurs on a formulaic basis depending on investment mandate and capital availability

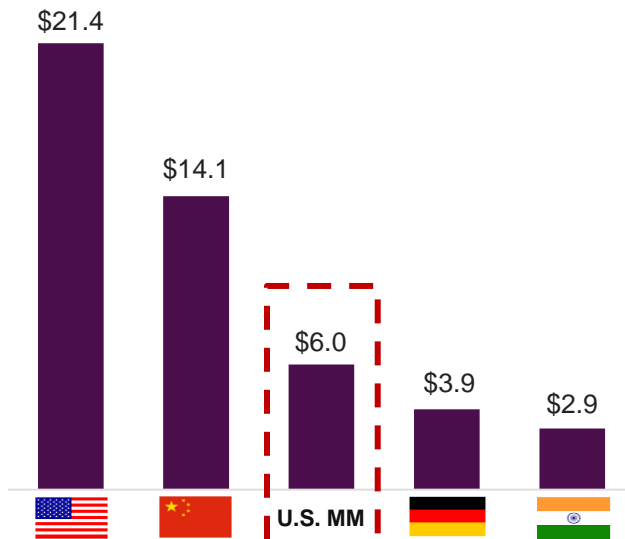
Comparable Portfolio Statistics: FSK & FSKR

Average metric	FSK		FSKR	
	1 st lien	2 nd lien	1 st lien	2 nd lien
Average Portfolio Company EBITDA	\$78mm	\$112mm	\$80mm	\$163mm
Median Portfolio Company EBITDA	\$61mm	\$74mm	\$69mm	\$98mm
Average Leverage	6.0x	6.3x	5.5x	5.2x
Median Leverage	5.5x	5.8x	5.2x	5.5x

Note: Information based on most recently reported Direct Origination financial information. Excludes extreme outliers, Equity/Other investments, and Asset Based Finance investments.

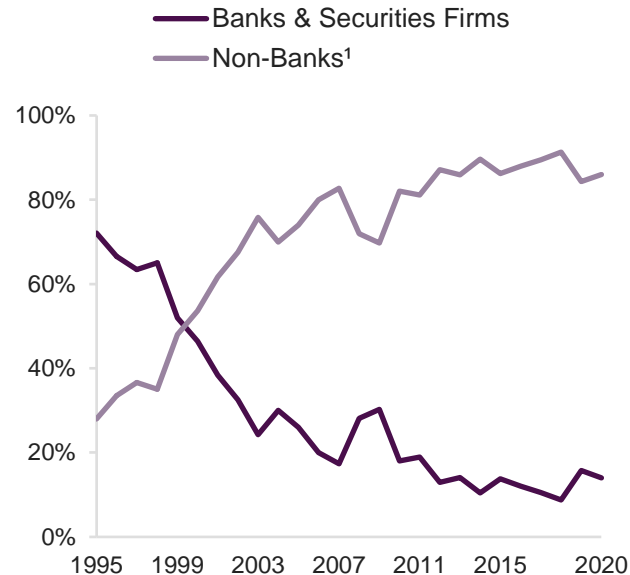
Overview of U.S. Middle Market Lending

Leading World Economies (\$tn)



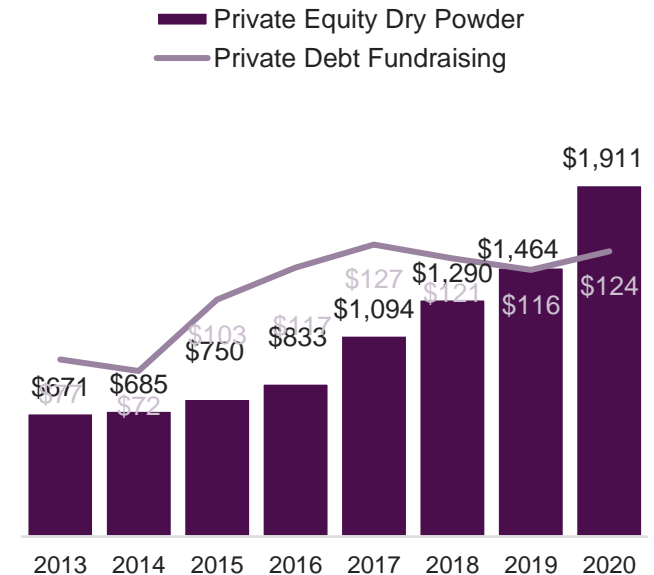
Note: Financial data as of December 31, 2019.
Source: International Monetary Fund (IMF).

Leveraged Lending Market Share



Note: Financial data as of December 31, 2020.
Source: S&P Capital IQ; ¹ Institutional investors and finance companies.

Private Equity Dry Powder (\$bn)



Note: Financial data as of December 31, 2020.
Source: Preqin Pro

Opportunity

- ✓ Private transactions allow for more customized structures than syndicated deals
- ✓ Pricing 100-200 bps above syndicated market
- ✓ The middle market provides attractive investment yields on an absolute and relative basis
- ✓ Investor-friendly structures include first lien collateral positions, call provisions, upfront fees, and financial covenants
- ✓ Management teams and financial sponsors have “skin in the game,” which helps align interests

Primary Focus: The Upper Middle Market

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"> 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 capital structures Less competition given size and scale required 	<ul style="list-style-type: none"> Highly structured financings with specific covenants Ability to finance across capital structures 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"> 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

FSK | FS KKR Capital Corp.

FSK Overview



FSK Investment Portfolio Composition

164

portfolio companies

22%

FV in top-10 portfolio companies²

65%

of investments in senior secured debt²

\$67mm / 5.5x

Median portfolio company EBITDA & leverage

88%

of debt investments are floating rate³

8.8%

Wtd. avg. annual yield on accruing debt investments⁴

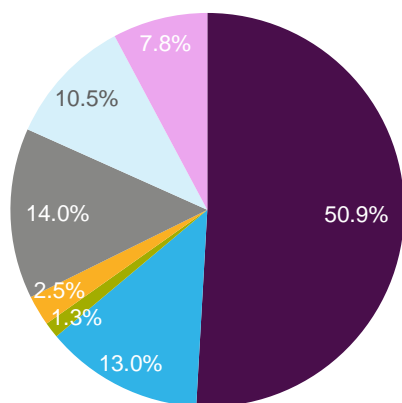
2.5%

Non-accrual rate at FV

>95%

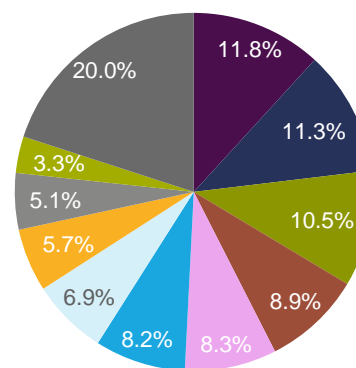
Lead, co-lead, or sole origination⁵

Security Exposure (by fair value)



- Senior Secured Loans—First Lien
- Senior Secured Loans—Second Lien
- Other Senior Secured Debt
- Subordinated Debt
- Asset Based Finance
- Strategic Credit Opportunities Partners, LLC
- Equity/Other

Sector Exposure (by fair value)



- Capital Goods
- Software & Services
- Strategic Credit Opportunities Partners, LLC
- Health Care Equipment & Services
- Commercial & Professional Services
- Real Estate
- Diversified Financials
- Consumer Durables & Apparel
- Retailing
- Food & Staples Retailing
- Other

Total Investments at Fair Value: \$6,780mm

Note: All stats as of December 31, 2020 unless otherwise noted.

1. Does not look through to FSK's portfolio companies held solely in SCJV.

2. Figure excludes the impact of FSK's investment in SCJV.

3. See FSK's Annual Report on Form 10-K for its definition of debt investments.

4. See FSK's Annual Report on Form 10-K for additional information on the calculation of weighted average annual yield on accruing debt investments.

5. Figure based on count 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.

FSK Quarterly Investment Activity

Portfolio Roll (\$ in millions)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Investment Purchases	\$1,147	\$1,296	\$253	\$174	\$613
Sales and Redemptions ⁽¹⁾	(929)	(914)	(470)	(322)	(595)
Net Investment Activity	\$218	\$382	(\$217)	(\$148)	\$18
Net Sales to SCJV	376	102	126	91	97
Adjusted Net Investment Activity	\$594	\$484	(\$91)	(\$57)	\$115

Asset Mix of New Purchases ⁽²⁾	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
First Lien Senior Secured Loans	72%	73%	52%	44%	57%
Second Lien Senior Secured Loans	8%	0%	0%	0%	15%
Other Senior Secured Debt	0%	0%	0%	0%	0%
Subordinated Debt	0%	4%	0%	0%	4%
Asset Based Finance	11%	10%	11%	56%	15%
Investment in SCJV	6%	13%	36%	0%	9%
Equity/Other	3%	0%	0%	0%	0%

1. Includes net sales to SCJV.

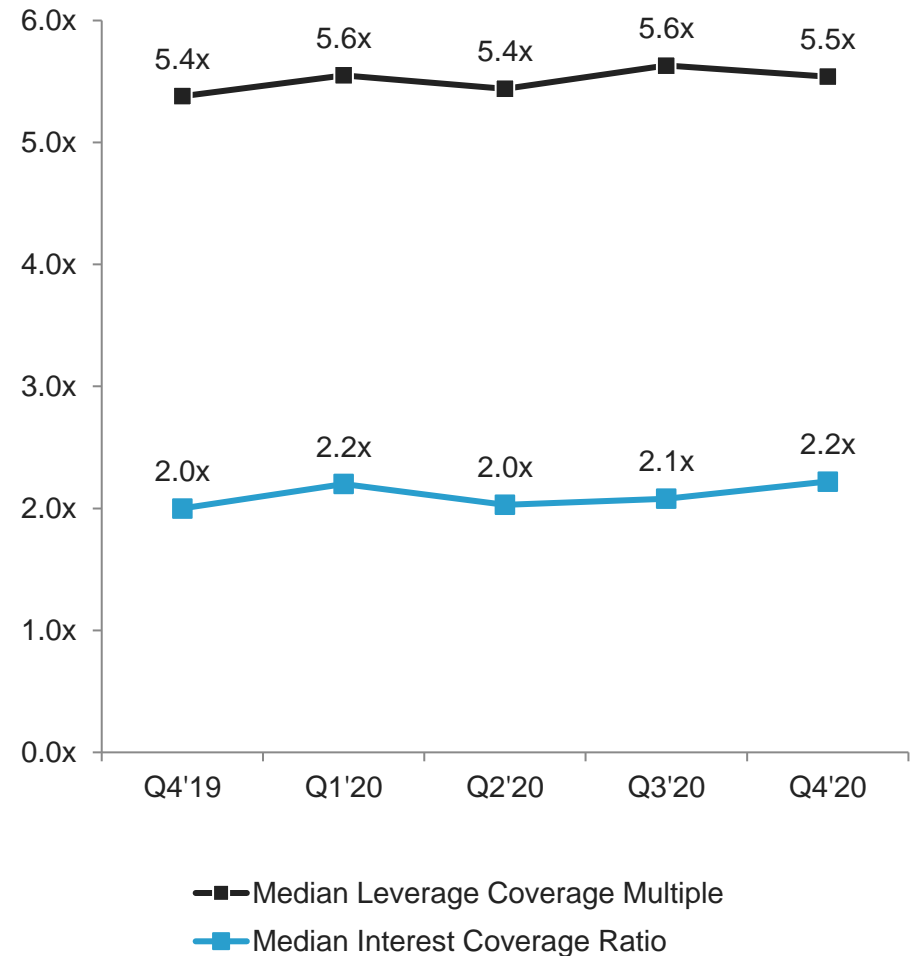
2. Zero represents an amount less than 0.5%.

FSK Direct Origination Investments EBITDA and Credit Statistics

Direct Origination Portfolio Company
Median EBITDA



Direct Origination Portfolio Company
Coverage Ratios

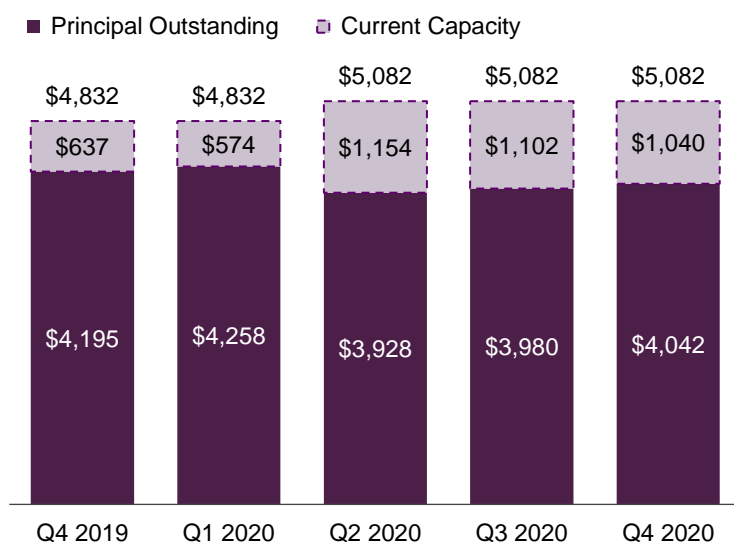


Note: Information based on most recently reported Direct Origination financial information

FSK Funding and Liquidity Management

- Mature capital structure with strong maturity ladder, large revolver and meaningful unsecured debt
- Over \$1 billion in committed undrawn debt capacity
- In Q4 2020, we expanded our unsecured bond footprint by issuing \$1 billion of 3.40% notes due in 2026; unsecured debt represents nearly 70% of our drawn debt

Leverage over Time (\$mm)



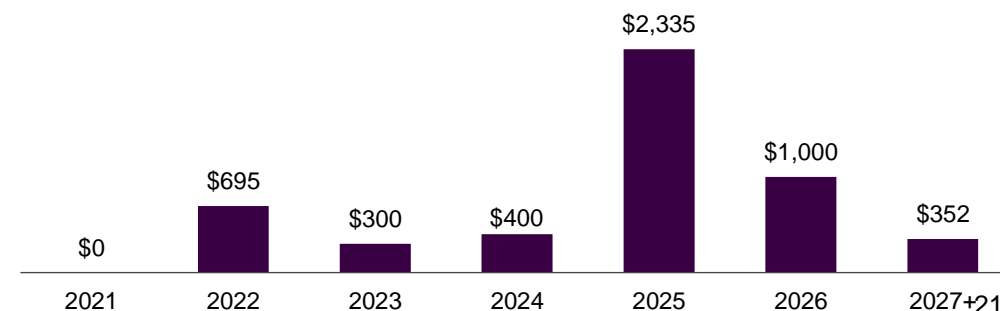
Cash (\$mm)⁽¹⁾	106.0	193.0	95.0	136.0	191.0
Gross D/E	1.09x	1.41x	1.36x	1.31x	1.31x
Net D/E⁽²⁾	0.89x	1.28x	1.29x	1.20x	1.19x
Asset Coverage	192%	171%	174%	176%	177%

1. Includes Cash, Restricted Cash, and Cash denominated in foreign currency.
2. 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.
3. Weighted average as of December 31, 2020. Includes the effect of non-usage fees.

Funding Vehicles (\$mm)

Funding Source	Committed	Principal Outstanding	Maturity	Wtd. Avg. Rate ⁽³⁾
Senior Secured Revolver	1,615	615	12/23/25	L+2.00%
SMBC Revolver	300	260	12/4/23	L+1.75%
Total Revolver – 37.7%	1,915	875		
4.750% Notes	450	450	5/15/22	4.75%
5.000% Notes	245	245	6/28/22	5.00%
4.625% Notes	400	400	7/15/24	4.63%
4.125% Notes	470	470	2/1/25	4.13%
8.625% Notes	250	250	5/15/25	8.63%
3.400% Notes	1,000	1,000	1/15/26	3.40%
Total Unsecured – 55.4%	2,815	2,815		
FS KKR MM CLO 1	352	352	1/15/31	L+2.00%
Total CLO – 6.9%	352	352		
Total	\$5,082	\$4,042		3.88%

Maturity Profile (\$mm)



FSK's SCJV Offers Key Investor Benefits

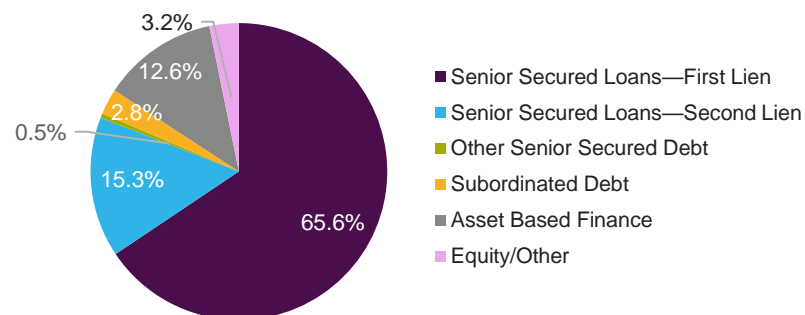
FSK's joint venture with South Carolina Retirement Systems Group Trust

- **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

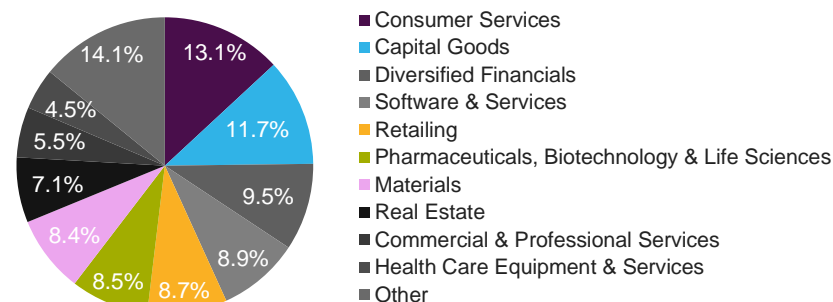
December 31, 2020 update:

- **Portfolio**
 - Fair value of investments was \$1,545mm
- **Key stats**
 - NAV of \$814mm (FSK's equity of SCJV was \$713mm)
 - \$133mm of purchases in Q4
 - \$75mm of uncalled equity capital (\$66mm allocated to FSK)
 - 0.88x net debt-to-equity ratio⁽¹⁾⁽²⁾
 - \$18.8mm dividend declared to FSK in Q4 (\$21.5mm total dividend)

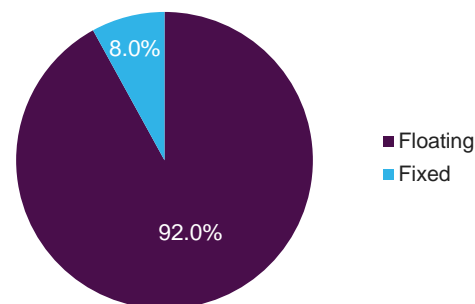
Security Exposure (by fair value)



Sector Exposure (by fair value)



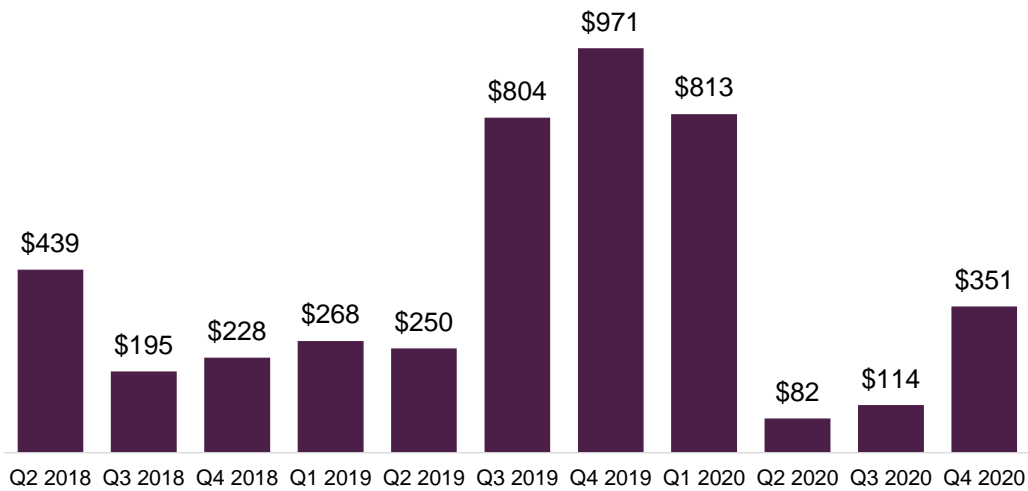
Fixed / Floating – Debt Investments



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. Net debt-to-equity ratio expected to decline as capital calls are issued in connection with the settlement of outstanding trades.

FS / KKR Advisor Performance

FSK New Investments by Quarter (\$mm)



Performance of new investments (\$mm)^{1,2}



- Cumulative appreciation totaled 0.42% as of December 31, 2019
- Cumulative appreciation totaled 0.44% on investments totaling \$4.5bn as of December 31, 2020

Note: Advisor formed in April 2018.

1. Looks through to FSK's portfolio companies held solely in SCJV.

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 in accordance with GAAP. As a result, the positive impacts of net amortization and depreciation recorded in our P&L is excluded from app/dep. 23

FSKR | FS KKR Capital Corp. II

FSKR Overview

FSKR Investment Portfolio Composition

155

portfolio companies

24%

FV in top-10 portfolio companies²

77%

of investments in senior secured debt²

\$74mm / 5.2x

Median portfolio company EBITDA & leverage

90%

of debt investments are floating rate³

8.5%

Wtd. avg. annual yield on accruing debt investments⁴

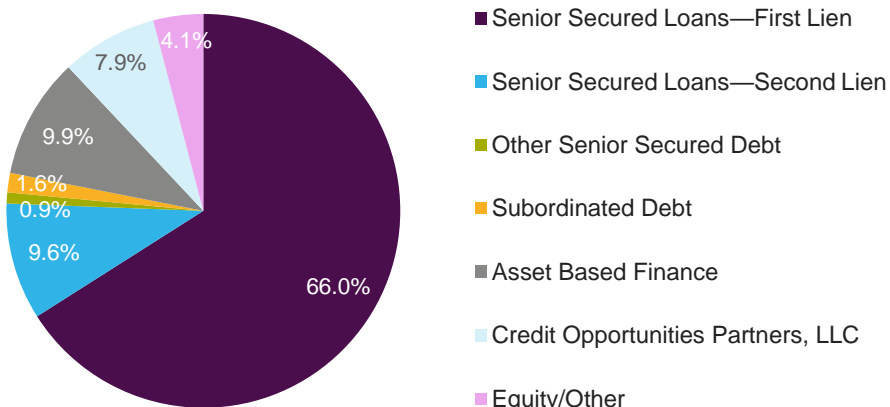
1.8%

Non-accrual rate at FV

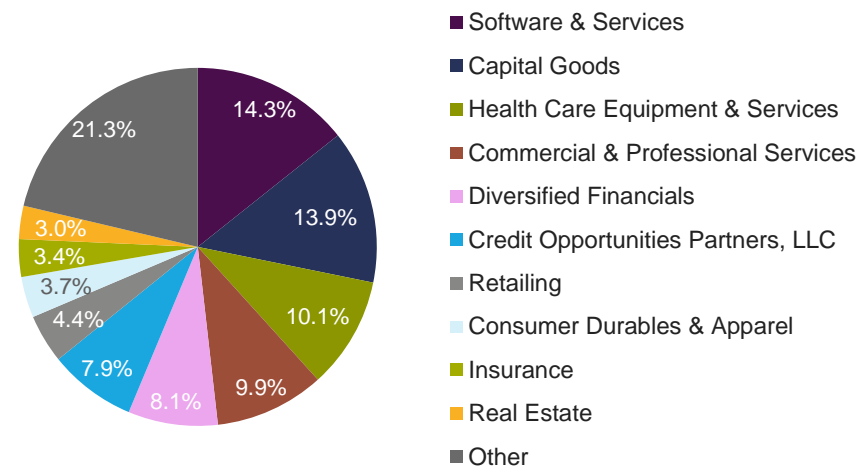
>95%

Lead, co-lead, or sole origination⁵

Security Exposure (by fair value)



Sector Exposure (by fair value)



Total Investments at Fair Value: \$7,968mm

Note: All stats as of December 31, 2020 unless otherwise noted.

1. Does not look through to FSKR's portfolio companies held solely in COP.

2. Figure excludes the impact of FSKR's investment in COP.

3. See FSKR's Annual Report on Form 10-K for its definition of debt investments.

4. See FSKR's Annual Report on Form 10-K for additional information on the calculation of weighted average annual yield on accruing debt investments.

5. Figure based on count 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.

FSKR Quarterly Investment Activity

Portfolio Roll (\$ in millions)	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
Investment Purchases	\$1,276	\$1,317	\$150	\$264	\$1,299
Sales and Redemptions ⁽¹⁾	(1,326)	(1,643)	(335)	(309)	(774)
Net Investment Activity	(\$50)	(\$326)	(\$185)	(\$45)	\$525
Net Sales to COP	503	253	-	95	187
Adjusted Net Investment Activity	\$453	(\$73)	(\$185)	\$50	\$712

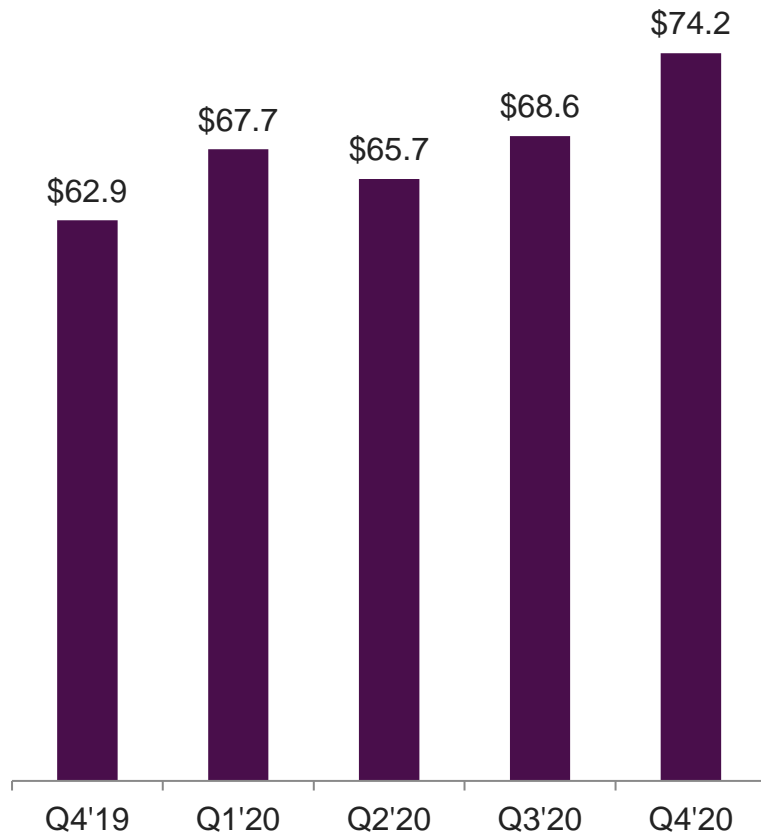
Asset Mix of New Purchases ⁽²⁾	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
First Lien Senior Secured Loans	46%	82%	15%	93%	71%
Second Lien Senior Secured Loans	11%	3%	1%	0%	16%
Other Senior Secured Debt	0%	0%	0%	0%	0%
Subordinated Debt	0%	4%	0%	0%	2%
Asset Based Finance	8%	11%	26%	7%	11%
Investment in COP	34%	0%	58%	0%	0%
Equity/Other	1%	0%	0%	0%	0%

1. Includes net sales to COP.

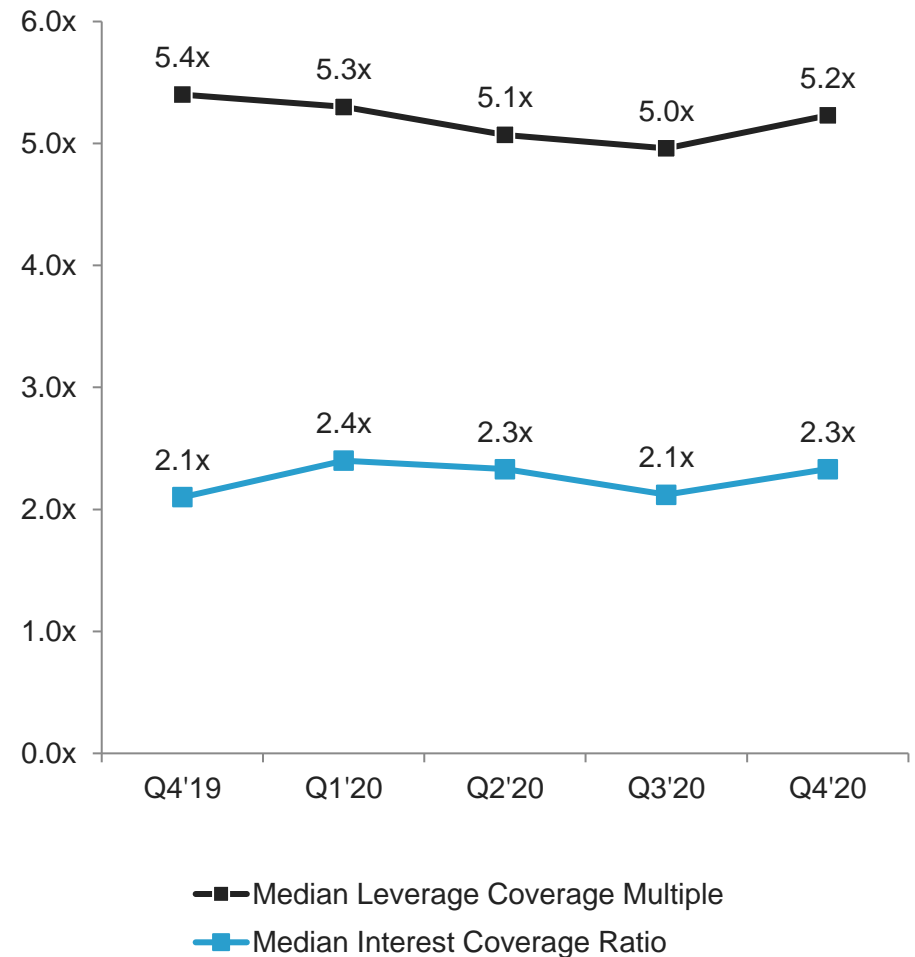
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FSKR Direct Origination Investments EBITDA and Credit Statistics

Direct Origination Portfolio Company
Median EBITDA



Direct Origination Portfolio Company
Coverage Ratios

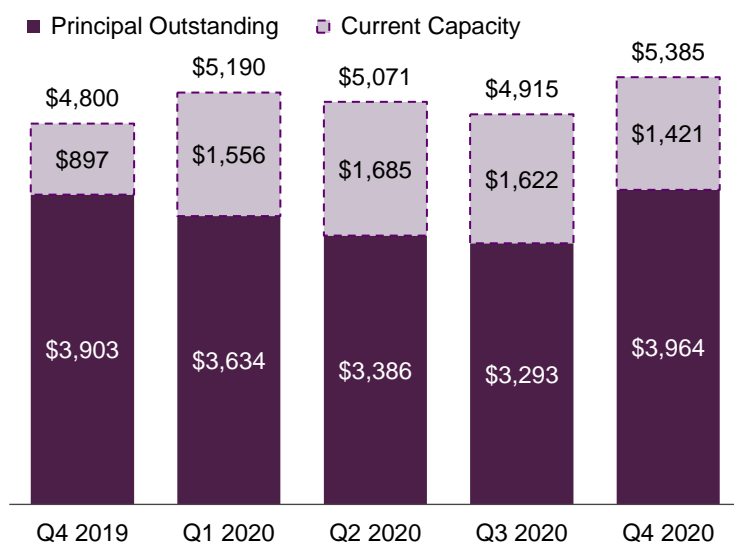


Note: Information based on most recently reported Direct Origination financial information

FSKR Funding and Liquidity Management

- Low net leverage with an extended maturity ladder and a large \$2.4 billion revolver
- Short term flexibility of \$1.4 billion of undrawn debt capacity
- Unsecured debt represents approximately 12% of our drawn debt

Leverage over Time (\$mm)



Cash (\$mm)⁽¹⁾	167.0	232.0	295.0	140.0	168.0
Gross D/E	0.77x	0.87x	0.81x	0.78x	0.93x
Net D/E⁽²⁾	0.74x	0.76x	0.75x	0.73x	0.85x
Asset Coverage	231%	215%	224%	228%	208%

1. Includes Cash, Restricted Cash, and Cash denominated in foreign currency.

2. 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.

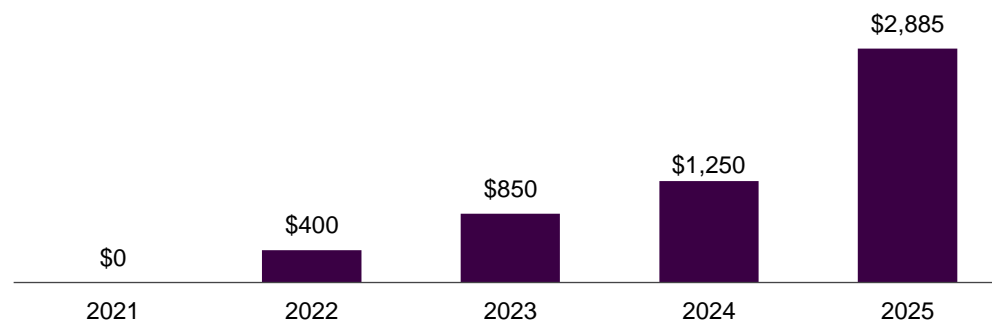
3. Weighted average as of December 31, 2020. Includes the effect of non-usage fees.

4. Weighted average of Tranche A + Tranche B

Funding Vehicles (\$mm)

Funding Source	Committed	Principal Outstanding	Maturity	Wtd. Avg. Rate ⁽³⁾
Senior Secured Revolver	2,410	1,498	12/23/25	L+2.00%
BNP Prime Brokerage	0	0	6/28/21	L+1.25%
JPM Revolver ⁽⁴⁾	1,250	1,090	1/14/23	L+2.66%
DB Revolver – 1	250	202	2/26/24	L+1.95%
DB Revolver – 2	500	375	2/26/24	L+2.00%
Ally Revolver	200	114	11/22/24	L+2.25%
MS Revolver	300	210	11/22/24	L+2.25%
Total Revolver – 91.2%	4,910	3,489		
4.250% Notes	475	475	2/14/25	4.25%
Total Unsecured - 9.7%	475	475		
Total	\$5,385	\$3,964		2.89%

Maturity Profile (\$mm)



FSKR's COP Offers Key Investor Benefits

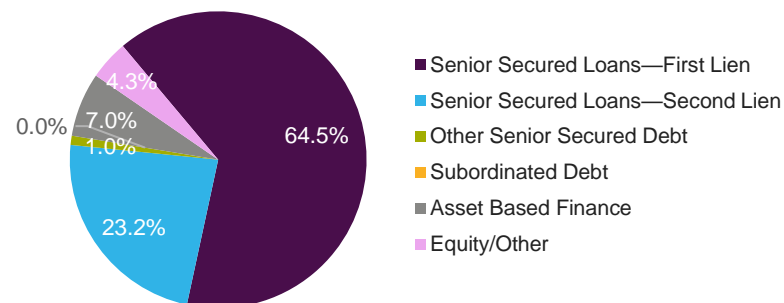
FSKR's joint venture with South Carolina Retirement Systems Group Trust

- **Primarily senior secured assets**
- **Key Portfolio Benefits**
 - Allows FSKR to access the full capabilities of KKR platform
 - Yield enhancing
- **Key Terms of the Partnership**
 - FSKR and SCRS share voting control 50% / 50%
 - Equity ownership 87.5% FSKR / 12.5% SCRS
 - FSKR provides day-to-day administrative oversight

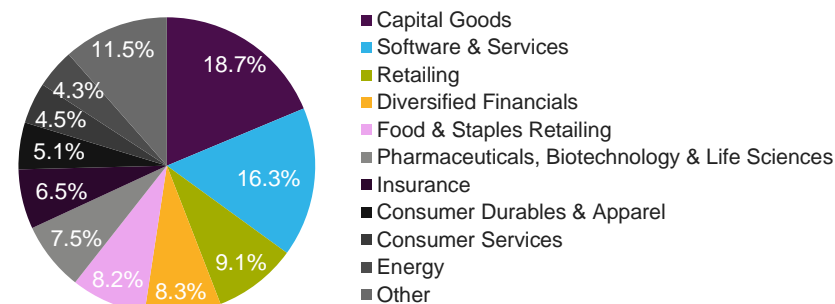
December 31, 2020 update:

- **Portfolio**
 - Fair value of investments was \$1,292mm
- **Key stats**
 - NAV of \$715mm (FSKR's equity of COP was \$626mm)
 - \$186mm of purchases in Q4
 - \$325mm of uncalled equity capital (\$284mm allocated to FSKR)
 - 0.76x net debt-to-equity ratio⁽¹⁾⁽²⁾
 - \$17.9mm dividend declared to FSKR in Q4 (\$20.5mm total dividend)

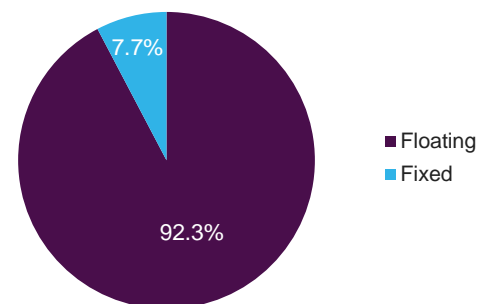
Security Exposure (by fair value)



Sector Exposure (by fair value)

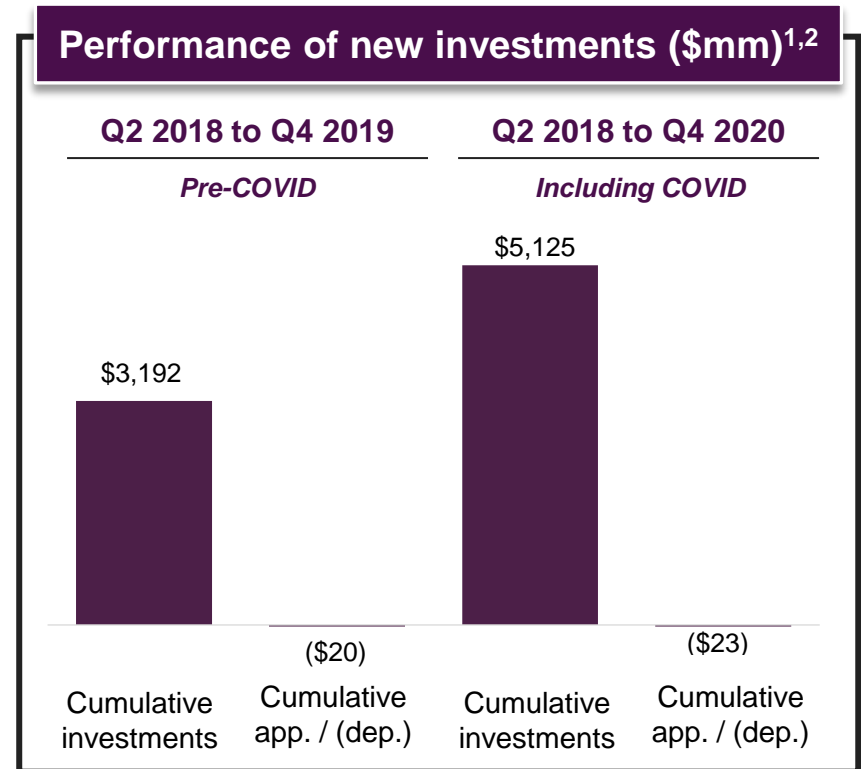
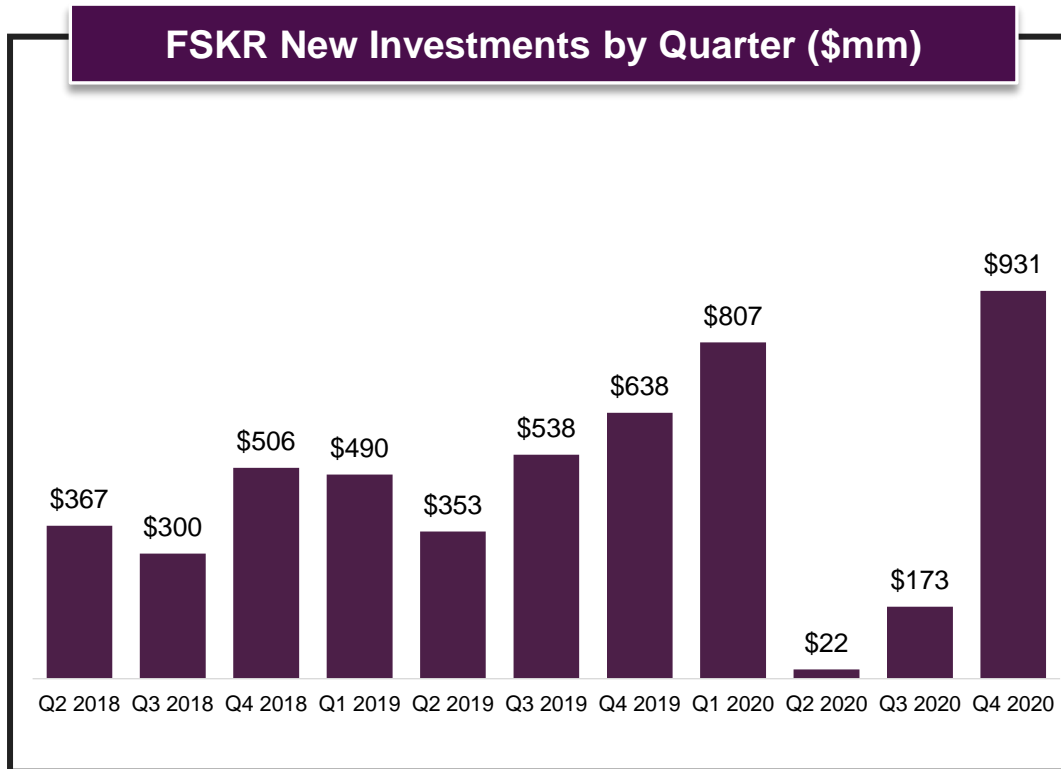


Fixed / Floating – Debt Investments



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. Net debt-to-equity ratio expected to decline as capital calls are issued in connection with the settlement of outstanding trades.

FS / KKR Advisor Performance



- Cumulative depreciation totaled 0.62% as of December 31, 2019
- Cumulative depreciation totaled 0.45% on investments totaling \$5.1bn as of December 31, 2020

Note: Advisor formed in April 2018.

1. Looks through to FSKR's portfolio companies held solely in COP.

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 in accordance with GAAP. As a result, the positive impacts of net amortization and depreciation recorded in our P&L is excluded from app/dep. 30

FS | KKR

FSK | FS KKR Capital Corp.

FSKR | FS KKR Capital Corp. II

Merger of FSK and FSKR



FSK and FSKR Are Highly Complementary

FSK | FS KKR Capital Corp.

- ✓ Established listed BDC
- ✓ High-quality institutional following
- ✓ Seasoned unsecured debt program
- ✓ Operating within target leverage range

On a combined basis, FSK and FSKR will seek to create long-term value through the benefits of:

- Scale & operating leverage
- Portfolio diversification
- Cost synergies
- Funding efficiencies
- Enhanced stock liquidity & following
- Simplified branding / messaging
- Stock buyback plan of up to \$100M post-merger

FSKR | FS KKR Capital Corp. II

- ✓ Larger equity base than FSK
- ✓ Under-leveraged balance sheet
- ✓ Valuable dry powder available to opportunistically take advantage of market conditions
- ✓ Predominantly senior secured portfolio

Merger expected to create long-term net investment income (“NII”) accretion for shareholders & improved competitive positioning

The Boards of FSK and FSKR have unanimously approved the merger

Transaction Highlights

Merger Considerations	<ul style="list-style-type: none">• Stock-for-stock merger with exchange ratio determined by respective net asset values (“NAV”) of FSK and FSKR prior to closing (NAV-for-NAV)• Combined company to continue to trade under the ticker symbol “FSK” on NYSE
Distributions	<ul style="list-style-type: none">• Consistent with recent guidance, 9.0% target minimum dividend yield (based on net asset value)• Potential for special dividends / distributions over time
Fee Structure	<ul style="list-style-type: none">• No change to existing FSK and FSKR base management fee construct:<ul style="list-style-type: none">○ 1.50% < 1.0x debt/equity○ 1.00% > 1.0x debt/equity• Conform incentive fee structure to industry peers:<ul style="list-style-type: none">○ \$90M incentive fee waiver spread evenly over first 6 quarters from closing○ Reduce income incentive fee from 20.0% to 17.5% over an unchanged 7.0% hurdle rate○ Remove incentive fee lookback provision
Post-Merger Governance	<ul style="list-style-type: none">• FS/KKR Advisor, LLC will continue to serve as the investment adviser of the combined company• Advisor Investment Committee members and management team will remain unchanged
Required Approvals	<ul style="list-style-type: none">• FSK and FSKR shareholder approval• Hart-Scott-Rodino regulatory approval and other customary closing conditions
Expected Timing	<ul style="list-style-type: none">• Expect to file preliminary joint proxy in the coming weeks• Anticipated closing during 2Q or 3Q 2021, subject to closing conditions

Each BDC Benefits Strategically from Merging

(\$M, Unless Otherwise Stated)		FSK	FSKR	Pro forma ¹
Portfolio Statistics	Investment portfolio	\$6,780	\$7,968	\$14,748
	<i>% senior secured</i>	65.2%	76.5%	71.2%
	Number of portfolio companies	164	155	203
	Direct originations (based on FV)	95.1%	91.7%	93.2%
	% non-accrual investments (based on FV)	2.5%	1.8%	2.1%
Financial Statistics	Total assets	\$7,237	\$8,522	\$15,759
	Total outstanding borrowings	4,042	3,964	8,006
	<i>% unsecured borrowings</i>	70%	12%	41%
	Common equity	3,096	4,265	7,361
	LTM net investment income	331	359	690
	LTM G&A expenses	22	33	55
	<i>Weighted portfolio yield on accruing debt investments</i>	8.8%	8.5%	8.7%
	<i>Average cost of debt</i>	3.9%	2.9%	3.4%
Market Statistics²	Market capitalization	\$2,411	\$3,174	
	P/NAV	0.81x	0.78x	
	Dividend yield (based on NAV) ³	9.6%	8.8%	

Note: All metrics as of December 31, 2020 unless otherwise noted.

1. Pro forma metrics do not factor in merger synergies or consolidation adjustments

2. Market data as of March 3, 2021

3. Dividend yield based on net asset value as of December 31, 2020, and annualized dividend for 4Q20

Side-by-Side Comparison: SCJV and COP

(\$M, Unless Otherwise Stated)		SCJV	COP	Pro forma ¹
Portfolio Statistics	Investment portfolio	\$1,544	\$1,292	\$2,836
	<i>% senior secured</i>	81.4%	88.6%	84.7%
	Number of portfolio companies	66	65	100
	Unfunded commitments	22	2	24
	Level 3 investments (% of total)	85.0%	74.4%	80.2%
	% non-accrual investments (based on FV)	0.4%	-	0.2%
Financial Statistics	Total assets	\$1,733	\$1,499	\$3,232
	Total outstanding borrowings	722	540	1,262
	Common equity	919	715	1,634
	LTM net investment income	88	84	172
	LTM G&A expenses	6	4	10
	<i>Weighted portfolio yield on accruing debt investments</i>	8.6%	9.1%	8.8%
	<i>Average cost of debt</i>	3.0%	3.5%	3.2%
Others Statistics	Uncalled equity capital	\$75	\$325	\$400
	FSK / FSKR equity ownership	87.5%	87.5%	87.5%
	FSK / FSKR Voting Control	50.0%	50.0%	50.0%

Note: All metrics as of December 31, 2020 unless otherwise noted.

1. Pro forma metrics do not factor in merger synergies or consolidation adjustments

Potential to Improve Balance Sheet Positioning

Key Considerations

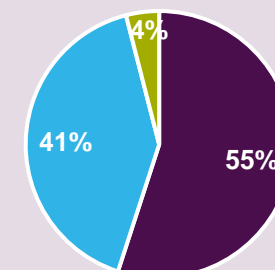
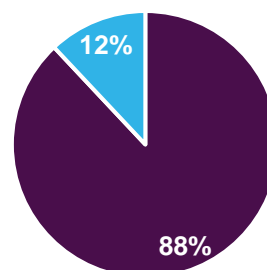
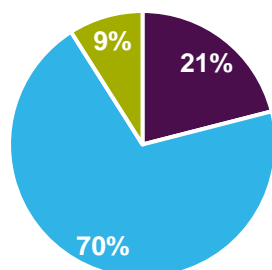
- Consolidated, simplified pro forma capital structure provides incremental flexibility
- Combined company expected to benefit from FSK's investment grade credit ratings and ability to access the unsecured markets

Funding Mix Evolution

\$M	FSK	FSKR	Pro forma
Total Committed Debt	\$5,082	\$5,385	\$10,467
Total Funded Debt	4,042	3,964	8,006
Available Capacity	1,040	1,421	2,461
Weighted Average Interest Rate¹	3.9%	2.9%	3.4%
Net Leverage Ratio	1.19x	0.85x	0.99x

Funding Mix

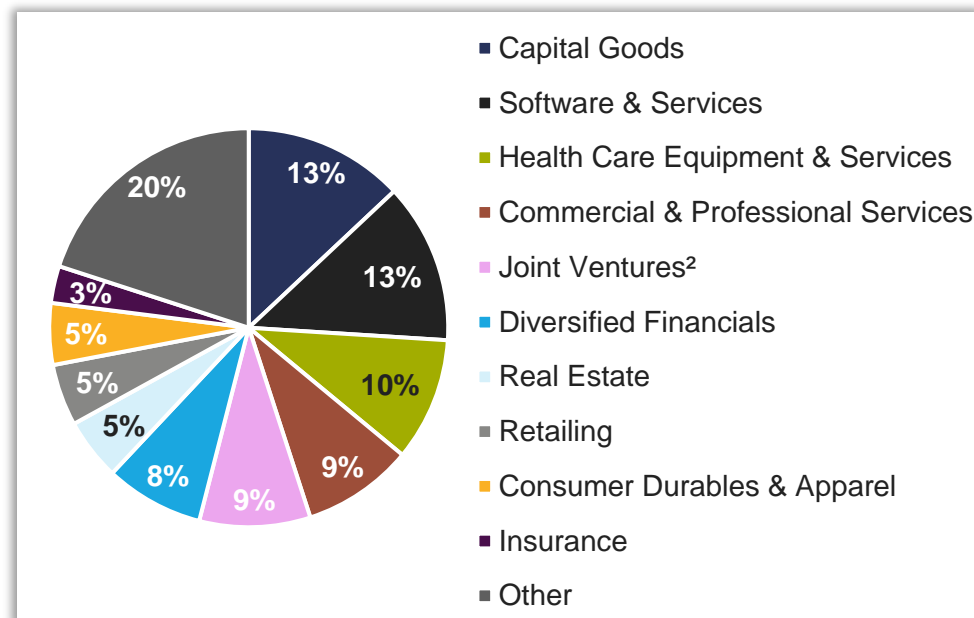
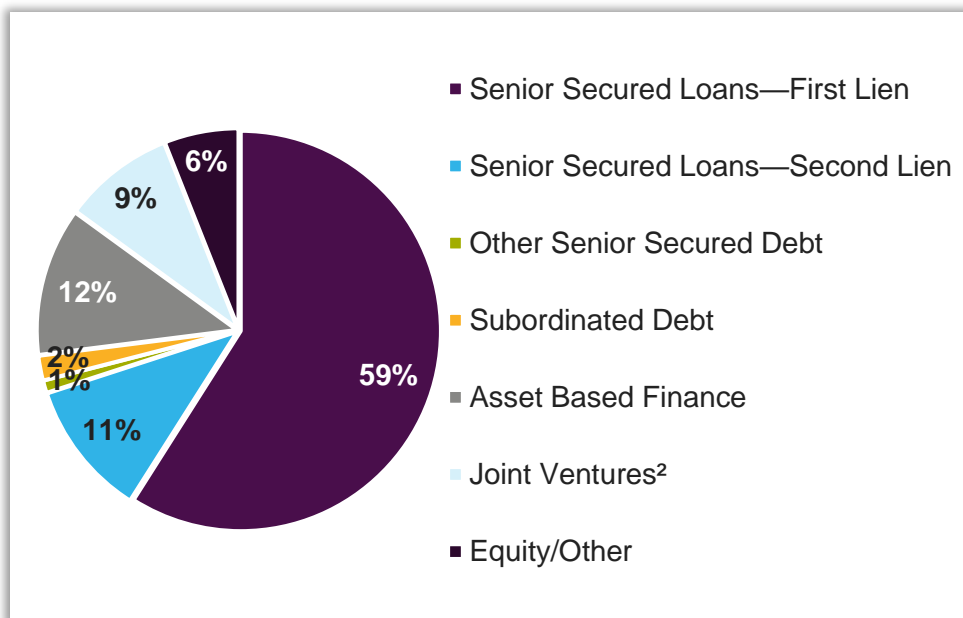
- Revolver
- Unsecured Notes
- CLO



Enhanced Portfolio Diversification

	FSK	FSKR	Pro forma
Number of portfolio companies	164	155	203
Top 10 portfolio companies (% of portfolio FV) ¹	22%	24%	21%
Senior secured debt investments (% of portfolio FV)	65.2%	76.5%	71.2%
Debt investments that are floating rate (% of portfolio FV)	87.6%	90.3%	88.9%
Non-accrual investments (based on FV)	2.5%	1.8%	2.1%

Pro Forma Asset and Industry Allocation as of December 31, 2020 (Based On Fair Value)



Note: All metrics as of December 31, 2020 unless otherwise noted.

1. Figure excludes the impact of investment in the Joint Ventures with South Carolina Retirement Systems Group Trust.

2. Represents Joint Ventures with South Carolina Retirement Systems Group Trust

Investment Overlap Analysis of FSK & FSKR

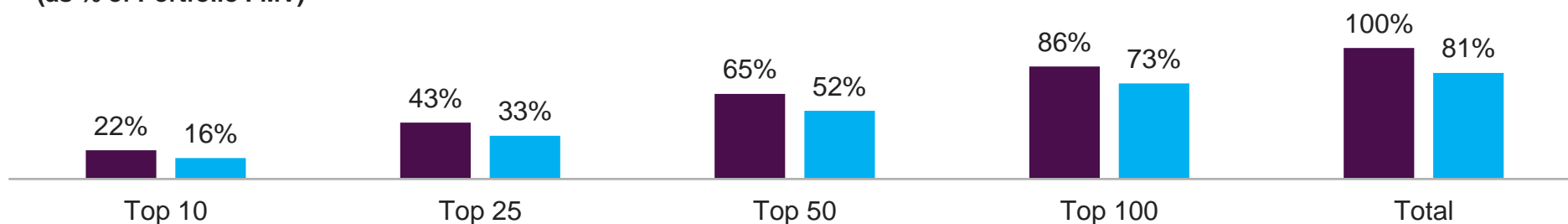
Key Considerations

- Merger quickens convergence of investment portfolios while maintaining existing strategic focus
- While significant overlap exists across both portfolios today, the merger is expected to result incremental diversification

Portfolio Overlap between FSK and FSKR¹

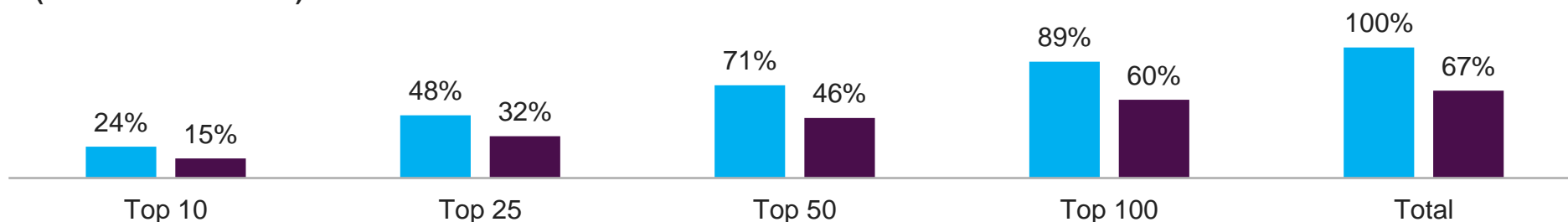
FSK Top Holdings
(as % of Portfolio FMV)

■ FSK ■ FSKR



FSKR Top Holdings
(as % of Portfolio FMV)

■ FSKR ■ FSK



Note: All stats as of December 31, 2020 unless otherwise noted.

1. Figure excludes the impact of investments in the Joint Ventures with South Carolina Retirement Systems Group Trust.

FS | KKR

FSK | FS KKR Capital Corp.

FSKR | FS KKR Capital Corp. II

Appendix

A photograph of a modern, white, arch-shaped bridge with a complex lattice structure. The bridge spans across a body of water, with a city skyline visible in the background under a clear blue sky. The bridge's design is sleek and contemporary, with multiple arches and a network of cables. The foreground shows the bridge's railing and the road surface, leading the eye towards the distant city.

Overview of Overall KKR ESG Management

KKR's [Responsible Investment Policy](#) articulates the Firm's approach to integrating the consideration of ESG risks and value creation opportunities into investment processes across various asset classes.



KKR's Approach to ESG Management

We believe that incorporating ESG factors into our Credit investment decision making leads to better investment outcomes. **At a practical level, how does this work?**

Policy & Commitment:

KKR has been publicly committed to responsible investment since being a signatory of the Principles for Responsible Investment in 2009. In addition, KKR has a public Responsible Investment policy available at www.kkresg.com/esg-policy

Tools

Gating issues List – KKR Credit utilizes a “Gating Issues” list that defines key business activities that may pose significant risks to investment value or to KKR to ensure early focus on these topics

IC Memo Checklist – KKR Credit Investment Committee Memos have an ESG checklist built into the document. Its purpose is to enable analysts to highlight any potential issues or concerns so that they may be discussed in detail prior to KKR making an investment

SASB Engagement Guide – Analysts are educated in and encouraged to use the SASB Topics Engagement Guide when considering ESG topics for the specific sector they are looking at during commercial due diligence

Resources

Dedicated ESG Team – KKR has a dedicated ESG team that works with the investment teams to explore any possible ESG issues that the team encounters at initial due diligence and also during ongoing monitoring of an asset

Third Party ESG Service Providers – KKR Credit is constantly evaluating the services provided by third parties to enhance our ESG analysis. This includes services from Credit Suisse, S&P, RepRisk, MSCI, Sustainalytics, Vigeo Iris, ISS, Bloomberg's ESG function, TruValue Labs, Trucost, etc.

FSKR Financial Results

<i>(Dollar amounts in millions, except per share data)</i>	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
NII per share ⁽¹⁾	\$0.67	\$0.55	\$0.44	\$0.52	\$0.59
Adjusted NII per share ^{(1) (2)}	\$0.68	\$0.55	\$0.48	\$0.52	\$0.61
Net realized and unrealized gains (losses) per share ⁽¹⁾	(\$0.67)	(\$4.72)	(\$0.30)	\$0.35	\$0.35
Net increase (decrease) in net assets resulting from operations (earnings per share) ⁽¹⁾	-	(\$4.17)	\$0.13	\$0.87	\$0.95
Stockholder distributions per share ⁽¹⁾	\$0.75	\$0.60	\$0.60	\$0.55	\$0.55
Net asset value per share at period end ⁽¹⁾	\$29.46	\$24.68	\$24.22	\$24.66	\$25.10
Weighted average shares outstanding (in millions) ⁽¹⁾	94.0	169.6	171.6	171.8	170.1
Shares outstanding, end of period (in millions) ⁽¹⁾	169.6	169.6	172.9	170.6	169.9
Total investments	\$8,591	\$7,464	\$7,281	\$7,331	\$7,968
Total assets	\$8,970	\$8,184	\$7,758	\$7,750	\$8,522
Cash ⁽³⁾	\$167	\$232	\$295	\$140	\$168
Total debt ⁽⁴⁾	\$3,809	\$3,634	\$3,386	\$3,293	\$3,964
Debt-to-equity, Net ⁽⁵⁾	0.73x	0.76x	0.75x	0.73x	0.85x
Adjusted NII / total recurring dividend	90%	91%	80%	95%	111%

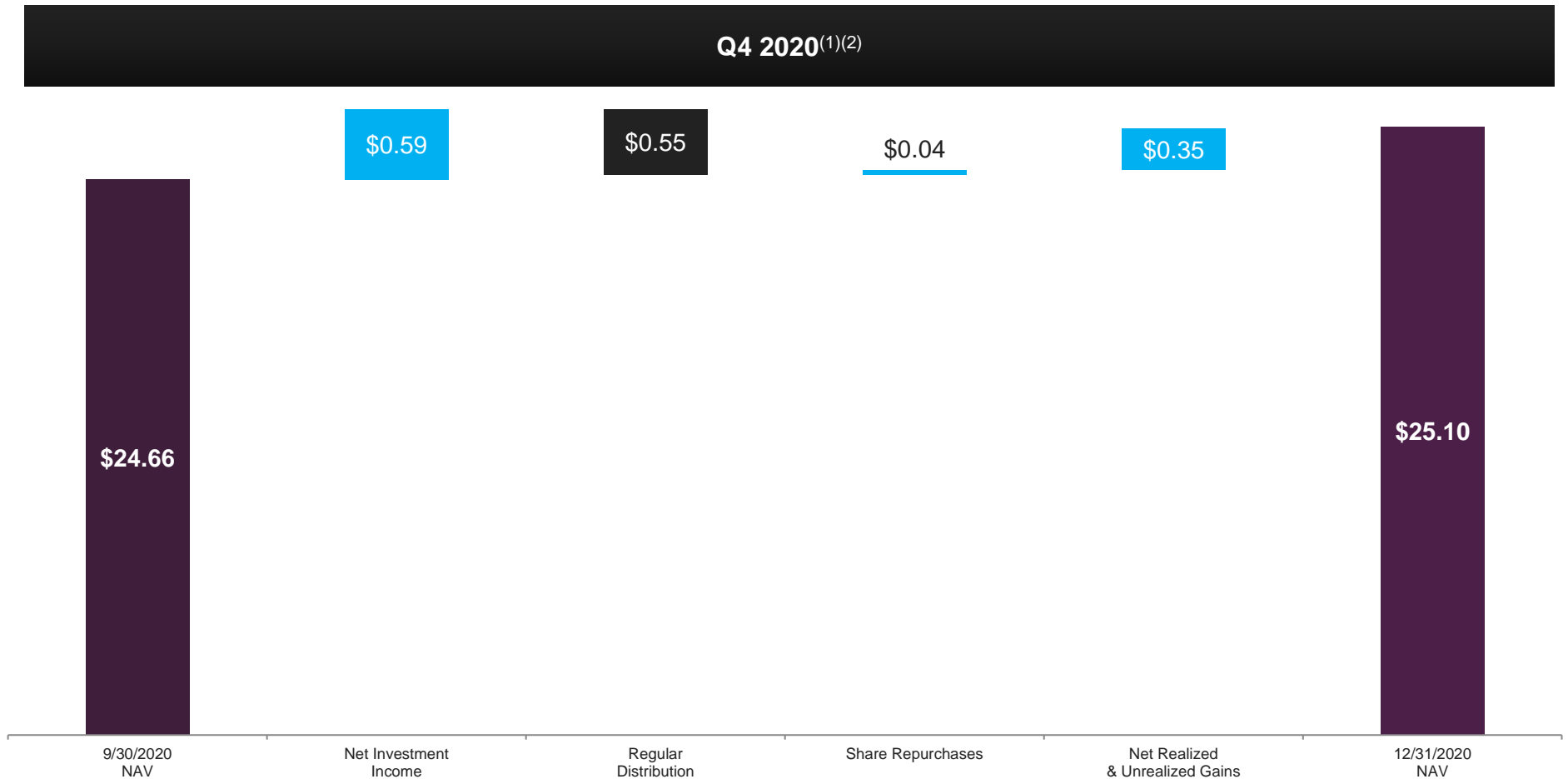
1. The share and per share amounts reflect the FSKR Reverse Stock Split on a retroactive basis. Effective as of June 10, 2020, FSKR completed a 4-to-1 reverse stock split of its shares of common stock (the FSKR Reverse Stock Split). As a result of the FSKR Reverse Stock Split, every four shares of FSKR's common stock issued and outstanding were automatically combined into one share of FSKR's common stock.
2. See the Appendix for a reconciliation between NII and Adjusted NII.
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.

FSKR Portfolio Highlights

<i>(Dollar amounts in millions)</i>	As of and for Three Months Ended				
	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20
Investment at Fair Value:					
First Lien Senior Secured Loans	66.5%	68.5%	66.7%	66.9%	66.0%
Second Lien Senior Secured Loans	9.4%	9.3%	8.7%	8.6%	9.6%
Other Senior Secured Debt	2.7%	2.0%	1.4%	1.0%	0.9%
Subordinated Debt	5.7%	3.1%	2.4%	2.3%	1.6%
Asset Based Finance	5.7%	7.9%	9.3%	8.8%	9.9%
Credit Opportunities Partners	5.9%	5.8%	7.9%	8.2%	7.9%
Equity/Other	4.1%	3.4%	3.6%	4.2%	4.1%
Total Investments	\$8,591	\$7,464	\$7,281	\$7,331	\$7,968
Number of portfolio companies ⁽¹⁾	213	179	164	160	155
Interest Rate Type:⁽²⁾					
% Floating Rate	83.2%	85.6%	87.8%	88.8%	90.3%
% Fixed Rate	16.8%	14.4%	12.2%	11.2%	9.7%
Net Interest Margin:					
Weighted average annual yield on accruing debt investments ⁽³⁾	9.5%	8.9%	8.7%	8.6%	8.5%
Weighted average interest rate on borrowings ⁽⁴⁾	4.3%	3.9%	3.5%	3.1%	2.9%

- Does not look through to FSKR's portfolio companies held solely in COP. COP is a joint venture between FSKR and South Carolina Retirement Systems Group Trust (SCRS).
- Represents interest rates on Debt Investments (see FSKR's Annual Report on Form 10-K for the definition of Debt Investments) at US\$ Fair Value FV. Floating includes variable interest rates on asset back finance investments that can change quarter to quarter.
- FSKR's weighted average annual yield on all debt investments was 8.0% as of December 31, 2020. See FSKR's Annual Report on Form 10-K for additional information on the calculation of weighted average annual yield on accruing debt investments and weighted average annual yield on all debt investments.
- Includes the effect of non-usage fees.

FSKR Net Asset Value Bridge



1. Per share data derived using the weighted average shares outstanding during the period.
 2. Numbers may not sum due to rounding.

FSK Operating Results

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20
Total investment income	\$186	\$179	\$150	\$147	\$163
Net expenses	(79)	(81)	(73)	(69)	(75)
Net investment income before taxes	\$107	\$98	\$77	\$78	\$88
Excise taxes	(7)	-	-	-	(10)
GAAP Net investment income	\$100	\$98	\$77	\$78	\$78
Plus: excise taxes	7	-	-	-	10
Plus: one-time expenses ⁽¹⁾	-	-	-	-	1
Adjusted net investment income⁽²⁾	\$107	\$98	\$77	\$78	\$89
Total net unrealized and realized gains (losses)	(127)	(801)	(132)	132	65
Net increase (decrease) in net assets resulting from operations	(\$27)	(\$703)	(\$55)	\$210	\$143
Per Share:⁽³⁾					
Net investment income	\$0.79	\$0.78	\$0.62	\$0.63	\$0.63
Adjusted net investment income ⁽²⁾	\$0.83	\$0.78	\$0.62	\$0.63	\$0.72
Net increase (decrease) in net assets results from operations	(\$0.21)	(\$5.59)	(\$0.44)	\$1.70	\$1.16
Stockholder distributions	\$0.76	\$0.76	\$0.60	\$0.60	\$0.60
Weighted average shares outstanding (millions)	127.2	125.9	123.8	123.8	123.8
Shares outstanding, end of period (millions)	126.6	124.3	123.8	123.8	123.8

1. FSK's one-time expenses for the three months ended December 31, 2020 consist of \$1M associated with the acceleration of deferred financing costs in conjunction with the closing of a debt facility during the quarter.

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; and (iii) 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.

3. The share and per share amounts reflect the FSK Reverse Stock Split on a retroactive basis.

FSK Operating Results Detail

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20
Investment income:					
Interest income	\$133	\$131	\$112	\$98	\$103
Payment-in-kind interest income	21	16	15	17	18
Fee income	16	12	6	3	12
Total dividend and other income	16	20	17	29	30
Total investment income	\$186	\$179	\$150	\$147	\$163
Operating expenses:					
Investment advisory fees & expenses	30	30	26	24	26
Interest expense	43	46	42	40	42
Incentive fees	-	-	-	-	-
Other operating expenses	6	5	5	5	7
Total operating expenses	\$79	\$81	\$73	\$69	\$75
Net investment income before taxes	107	98	77	78	88
Income taxes, including excise taxes	(7)	-	-	-	(10)
Net investment income	\$100	\$98	\$77	\$78	\$78
Total net unrealized and realized gains (losses)	(127)	(801)	(132)	132	65
Net increase in net assets resulting from operations	(\$27)	(\$703)	(\$55)	\$210	\$143

FSK Balance Sheet

(Dollar amounts in millions, except per share data)	As of				
	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20
Assets					
Total investments, at fair value	\$7,357	\$6,945	\$6,624	\$6,649	\$6,780
Cash	93	179	87	129	182
Foreign currency, at fair value	13	14	8	7	9
Receivable for investments sold and repaid	657	204	137	231	173
Income receivable	82	79	78	93	72
Unrealized appreciation on foreign currency forward contracts	1	3	3	2	1
Deferred financing costs	10	10	13	12	15
Prepaid expenses and other assets	3	5	6	3	5
Total Assets	\$8,216	\$7,439	\$6,956	\$7,126	\$7,237
Liabilities					
Payable for investments purchased	\$15	\$10	\$21	\$5	-
Debt	4,173	4,238	3,903	3,957	3,997
Unrealized depreciation on derivative instruments	-	-	-	-	3
Shareholders' distributions payable	96	95	75	74	74
Interest Payable	23	32	34	33	25
Other liabilities ⁽¹⁾	43	36	32	30	42
Total Liabilities	\$4,350	\$4,411	\$4,065	\$4,099	\$4,141
Total Net Assets	\$3,866	\$3,028	\$2,891	\$3,027	\$3,096
Net Asset Value per Share⁽²⁾	\$30.54	\$24.36	\$23.37	\$24.46	\$25.02

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

2. The share and per share amounts reflect the FSK Reverse Stock Split on a retroactive basis.

FSK Quarterly Gain/Loss Information

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20
Realized gain/loss					
Net realized gain (loss) on investments:					
Non-controlled/unaffiliated investments	(\$31)	(\$92)	(\$48)	(\$99)	(\$84)
Non-controlled/affiliated investments	11	(34)	(5)	(90)	(3)
Controlled/affiliated investments	(1)	-	(17)	(18)	-
Net realized gain (loss) on swap contracts	(1)	-	-	-	-
Net realized gain (loss) on foreign currency forward contracts	6	-	-	-	-
Net realized gain (loss) on foreign currency	(1)	(4)	1	(2)	(1)
Total net realized gain (loss)	(\$17)	(\$130)	(\$69)	(\$209)	(\$88)
Unrealized gain/loss					
Net change in unrealized appreciation (depreciation) on investments:					
Non-controlled/unaffiliated investments	(\$51)	(\$367)	(\$8)	\$261	\$131
Non-controlled/affiliated investments	(7)	(137)	(28)	27	12
Controlled/affiliated investments	(26)	(191)	(21)	68	32
Net change in unrealized appreciation (depreciation) on swap contracts	1	-	-	-	-
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	(8)	2	-	(1)	(4)
Net change in unrealized gain (loss) on foreign currency	(19)	22	(6)	(14)	(18)
Total net unrealized gain (loss)	(\$110)	(\$671)	(\$63)	\$341)	\$153)
Total net realized and unrealized gain (loss)	(\$127)	(\$801)	(\$132)	\$132)	\$65)

FSKR Financial Results

<i>(Dollar amounts in millions, except per share data)</i>	Q4 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020
NII per share ⁽¹⁾	\$0.67	\$0.55	\$0.44	\$0.52	\$0.59
Adjusted NII per share ^{(1) (2)}	\$0.68	\$0.55	\$0.48	\$0.52	\$0.61
Net realized and unrealized gains (losses) per share ⁽¹⁾	(\$0.67)	(\$4.72)	(\$0.30)	\$0.35	\$0.35
Net increase (decrease) in net assets resulting from operations (earnings per share) ⁽¹⁾	-	(\$4.17)	\$0.13	\$0.87	\$0.95
Stockholder distributions per share ⁽¹⁾	\$0.75	\$0.60	\$0.60	\$0.55	\$0.55
Net asset value per share at period end ⁽¹⁾	\$29.46	\$24.68	\$24.22	\$24.66	\$25.10
Weighted average shares outstanding (in millions) ⁽¹⁾	94.0	169.6	171.6	171.8	170.1
Shares outstanding, end of period (in millions) ⁽¹⁾	169.6	169.6	172.9	170.6	169.9
Total investments	\$8,591	\$7,464	\$7,281	\$7,331	\$7,968
Total assets	\$8,970	\$8,184	\$7,758	\$7,750	\$8,522
Cash ⁽³⁾	\$167	\$232	\$295	\$140	\$168
Total debt ⁽⁴⁾	\$3,809	\$3,634	\$3,386	\$3,293	\$3,964
Debt-to-equity, Net ⁽⁵⁾	0.73x	0.76x	0.75x	0.73x	0.85x
Adjusted NII / total recurring dividend	90%	91%	80%	95%	111%

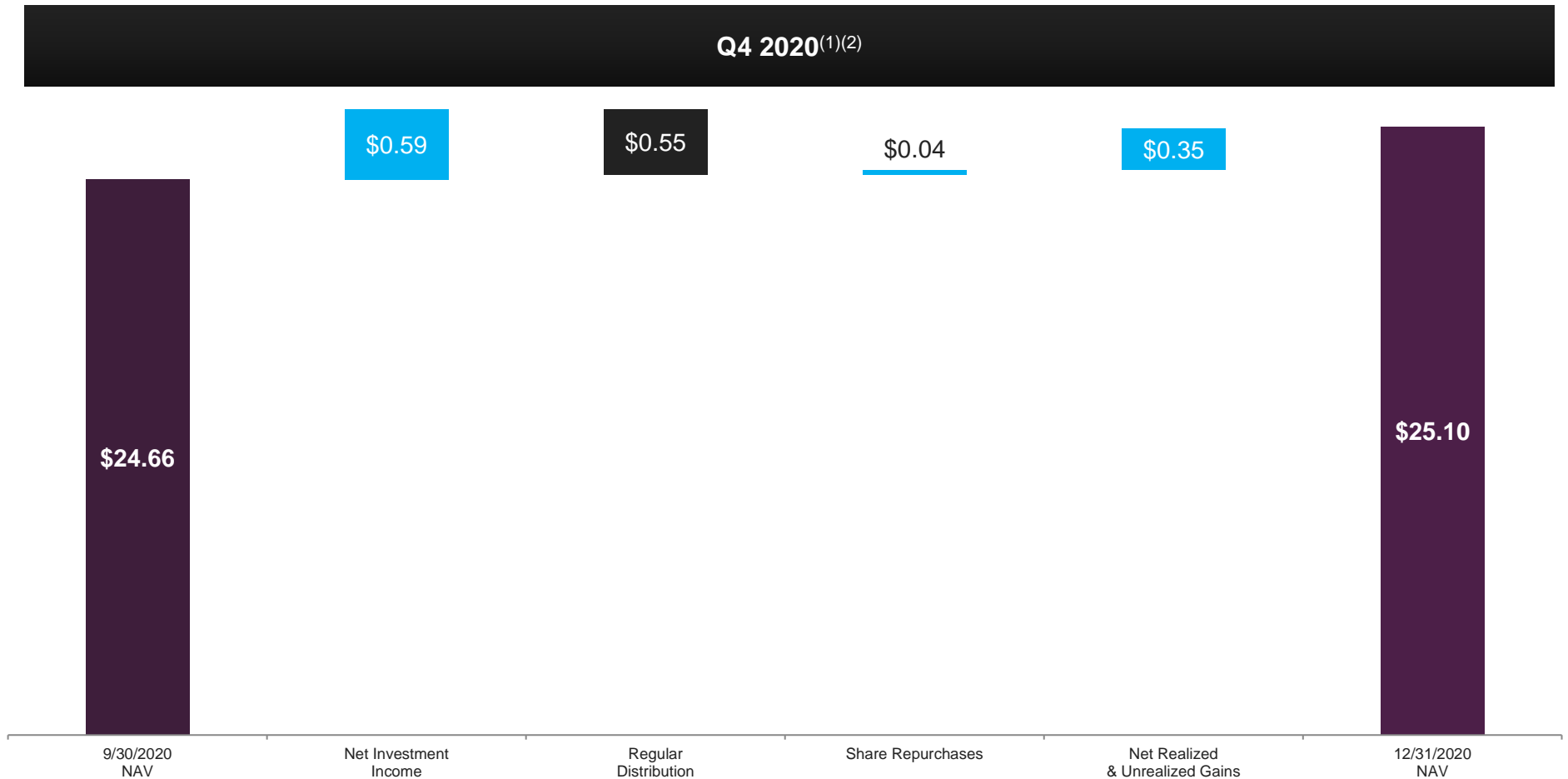
1. The share and per share amounts reflect the FSKR Reverse Stock Split on a retroactive basis. Effective as of June 10, 2020, FSKR completed a 4-to-1 reverse stock split of its shares of common stock (the FSKR Reverse Stock Split). As a result of the FSKR Reverse Stock Split, every four shares of FSKR's common stock issued and outstanding were automatically combined into one share of FSKR's common stock.
2. See the Appendix for a reconciliation between NII and Adjusted NII.
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.

FSKR Portfolio Highlights

<i>(Dollar amounts in millions)</i>	As of and for Three Months Ended				
	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20
Investment at Fair Value:					
First Lien Senior Secured Loans	66.5%	68.5%	66.7%	66.9%	66.0%
Second Lien Senior Secured Loans	9.4%	9.3%	8.7%	8.6%	9.6%
Other Senior Secured Debt	2.7%	2.0%	1.4%	1.0%	0.9%
Subordinated Debt	5.7%	3.1%	2.4%	2.3%	1.6%
Asset Based Finance	5.7%	7.9%	9.3%	8.8%	9.9%
Credit Opportunities Partners	5.9%	5.8%	7.9%	8.2%	7.9%
Equity/Other	4.1%	3.4%	3.6%	4.2%	4.1%
Total Investments	\$8,591	\$7,464	\$7,281	\$7,331	\$7,968
Number of portfolio companies ⁽¹⁾	213	179	164	160	155
Interest Rate Type:⁽²⁾					
% Floating Rate	83.2%	85.6%	87.8%	88.8%	90.3%
% Fixed Rate	16.8%	14.4%	12.2%	11.2%	9.7%
Net Interest Margin:					
Weighted average annual yield on accruing debt investments ⁽³⁾	9.5%	8.9%	8.7%	8.6%	8.5%
Weighted average interest rate on borrowings ⁽⁴⁾	4.3%	3.9%	3.5%	3.1%	2.9%

- Does not look through to FSKR's portfolio companies held solely in COP. COP is a joint venture between FSKR and South Carolina Retirement Systems Group Trust (SCRS).
- Represents interest rates on Debt Investments (see FSKR's Annual Report on Form 10-K for the definition of Debt Investments) at US\$ Fair Value FV. Floating includes variable interest rates on asset back finance investments that can change quarter to quarter.
- FSKR's weighted average annual yield on all debt investments was 8.0% as of December 31, 2020. See FSKR's Annual Report on Form 10-K for additional information on the calculation of weighted average annual yield on accruing debt investments and weighted average annual yield on all debt investments.
- Includes the effect of non-usage fees.

FSKR Net Asset Value Bridge



1. Per share data derived using the weighted average shares outstanding during the period.
 2. Numbers may not sum due to rounding.

FSKR Operating Results

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20
Total investment income	\$121	\$195	\$168	\$172	\$196
Net expenses	(57)	(102)	(93)	(82)	(95)
Net investment income before taxes	\$64	\$93	\$75	\$90	\$101
Excise taxes	(1)	-	-	-	-
GAAP Net investment income	\$63	\$93	\$75	\$90	\$101
Plus: excise taxes	1	-	-	-	-
Plus: one-time expenses ⁽¹⁾	-	-	7	-	3
Adjusted net investment income⁽²⁾	\$64	\$93	\$82	\$90	\$104
Total net unrealized and realized gains (losses)	(63)	(801)	(53)	59	60
Net increase (decrease) in net assets resulting from operations	-	(\$708)	\$22	\$149	\$161
Per Share:⁽³⁾					
Net investment income	\$0.67	\$0.55	\$0.44	\$0.52	\$0.59
Adjusted net investment income ⁽²⁾	\$0.68	\$0.55	\$0.48	\$0.52	\$0.61
Net increase (decrease) in net assets results from operations	-	(\$4.17)	\$0.13	\$0.87	\$0.95
Stockholder distributions	\$0.75	\$0.60	\$0.60	\$0.55	\$0.55
Weighted average shares outstanding (millions)	94.0	169.6	171.6	171.8	170.1
Shares outstanding, end of period (millions)	169.6	169.6	172.9	170.6	169.9

1. FSKR's one-time expenses for the three months ended June 30, 2020 consist of advisory fees in connection with the listing of its shares on the NYSE. FSKR's one-time expense for the three months ended December 31, 2020 consist of banker fees in connection with the proposed merger with FSK.
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; and (iii) certain non-recurring operating expenses that are one-time in nature and are not representative of ongoing operating expenses incurred during FSKR's normal course of business (referred to herein as one-time expenses). FSKR 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.
3. The share and per share amounts reflect the FSKR Reverse Stock Split on a retroactive basis.

FSKR Operating Results Detail

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20
Investment income:					
Interest income	\$102	\$151	\$126	\$120	\$130
Payment-in-kind interest income	7	14	16	16	18
Fee income	12	15	7	5	22
Total dividend and other income	-	15	19	31	26
Total investment income	\$121	\$195	\$168	\$172	\$196
Operating expenses:					
Investment advisory fees & expenses	20	33	29	28	30
Interest expense	27	40	35	26	29
Incentive fees	5	23	19	22	25
Other operating expenses	5	6	10	6	11
Total operating expenses	\$57	\$102	\$93	\$82	\$95
Net investment income before taxes	64	93	75	90	101
Income taxes, including excise taxes	(1)	-	-	-	-
Net investment income	\$63	\$93	\$75	\$90	\$101
Total net unrealized and realized gains (losses)	(63)	(801)	(53)	59	60
Net increase in net assets resulting from operations	-	(\$708)	\$22	\$149	\$161

FSKR Balance Sheet

(Dollar amounts in millions, except per share data)	As of				
	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20
Assets					
Total investments, at fair value	\$8,591	\$7,464	\$7,281	\$7,331	\$7,968
Cash	163	225	289	134	160
Foreign currency, at fair value	4	7	6	6	8
Receivable for investments sold and repaid	23	321	13	110	235
Income receivable	84	88	92	99	83
Unrealized appreciation on foreign currency forward contracts	-	1	0	0	0
Deferred financing costs	12	11	13	14	17
Prepaid expenses and other assets	93	67	64	56	51
Total Assets	\$8,970	\$8,184	\$7,758	\$7,750	\$8,522
Liabilities					
Payable for investments purchased	\$37	\$114	\$42	\$32	\$68
Debt	3,809	3,629	3,382	3,288	3,960
Unrealized depreciation on derivative instruments	30	59	59	54	49
Shareholders' distributions payable	-	102	-	94	93
Interest Payable	30	26	27	15	21
Other liabilities ⁽¹⁾	68	68	62	60	66
Total Liabilities	\$3,974	\$3,998	\$3,572	\$3,543	\$4,257
Total Net Assets	\$4,996	\$4,186	\$4,186	\$4,207	\$4,265
Net Asset Value per Share⁽²⁾	\$29.46	\$24.68	\$24.22	\$24.66	\$25.10

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

2. The share and per share amounts reflect the FSKR Reverse Stock Split on a retroactive basis.

FSKR Quarterly Gain/Loss Information

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20
Realized gain/loss					
Net realized gain (loss) on investments:					
Non-controlled/unaffiliated investments	(\$9)	(\$217)	(\$34)	(\$131)	(\$260)
Non-controlled/affiliated investments	(3)	0	(109)	(120)	-
Controlled/affiliated investments	-	-	-	(1)	-
Net realized gain (loss) on swap contracts	(2)	(4)	(3)	(6)	(6)
Net realized gain (loss) on foreign currency forward contracts	-	0	-	-	-
Net realized gain (loss) on foreign currency	-	1	-	(13)	1
Total net realized gain (loss)	(\$14)	(\$220)	(\$146)	(\$271)	(\$265)
Unrealized gain/loss					
Net change in unrealized appreciation (depreciation) on investments:					
Non-controlled/unaffiliated investments	\$72	(\$429)	(\$22)	\$275	\$341
Non-controlled/affiliated investments	(114)	(96)	84	26	11
Controlled/affiliated investments	6	(80)	59	28	(5)
Net change in unrealized appreciation (depreciation) on swap contracts	5	(27)	(1)	7	6
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	(1)	2	(1)	-	(1)
Net change in unrealized gain (loss) on foreign currency	(17)	49	(26)	(6)	(27)
Total net unrealized gain (loss)	(\$49)	(\$581)	\$93	\$330	\$325
Total net realized and unrealized gain (loss)	(\$63)	(\$801)	(\$53)	\$59	\$60

Important Disclosure Notice

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”) or FS KKR Capital Corp. II (“FSKR” and, together, the “Funds”). 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, risks associated with possible disruption to the Funds’ 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 a Fund’s operating area, failure to obtain requisite stockholder approval for the Proposals (as defined below) set forth in the registration statement on Form N-14 filed with the SEC on February 25, 2021 (Registration Statement No. 333-251667), which includes a joint proxy statement of the Funds and a prospectus of FSK (the “Proxy Statement”), failure to consummate the business combination transaction involving the Funds, the price at which shares of the Funds’ common stock trade on the New York Stock Exchange, uncertainties as to the timing of the consummation of the business combination transaction involving the Funds, unexpected costs, charges or expenses resulting from the business combination transaction involving the Funds and failure to realize the anticipated benefits of the business combination transaction involving the Funds. Some of these factors are enumerated in the filings the Funds made with the U.S. Securities and Exchange Commission (the “SEC”) and are also contained in the Proxy Statement. 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, the Funds undertake 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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This presentation contains certain financial measures that have not been prepared in accordance with U.S. generally accepted accounting principles (GAAP). FSK and FSKR use these non-GAAP financial measures internally in analyzing financial results and believes that the presentation of these non-GAAP financial measures is useful to investors as an additional tool to evaluate ongoing results and trends and in comparing FSK’s and/or FSKR’s financial results with other business development companies.

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 and FSKR’s consolidated financial statements prepared in accordance with GAAP. A reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures has been provided in the Appendix included in this presentation and investors are encouraged to review the reconciliation in the table and the related footnotes.

Certain figures in this presentation have been rounded.

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Participants in the Solicitation

The Funds and their respective directors, executive officers and certain other members of management and employees, including employees of FS/KKR Advisor, LLC, FS Investments, KKR Credit Advisors (US) LLC and their respective affiliates, may be deemed to be participants in the solicitation of proxies from the stockholders of the Funds in connection with the Proposals. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the Funds’ stockholders in connection with the Proposals are contained in the Proxy Statement. This document may be obtained free of charge from the sources indicated above.

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Target returns are hypothetical in nature and are shown for illustrative, informational purposes only. This summary is not intended to forecast or predict future events, but rather to indicate the returns for the asset classes indicated herein that KKR Credit has observed in the market generally over the course of an investment cycle. It does not reflect the actual or expected returns of any potential investment of the Fund and does not guarantee future results. The target returns are based upon KKR Credit's view of the potential returns for investments to be made by the Fund, are not meant to predict the returns of the Fund, and are subject to the following assumptions: KKR Credit considers a number of factors, including, for example, observed and historical market returns relevant to the applicable asset class available for investment to the Fund, projected cash flows, relevant other market dynamics (including interest rate and currency markets), anticipated leverage, and liquidity constraints. Certain of the assumptions have been made for modeling purposes and are unlikely to be realized. No representation or warranty is made as to the reasonableness of the assumptions made or that all assumptions used in achieving the returns have been stated or fully considered. Changes in the assumptions may have a material impact on the projected returns presented. Unless otherwise indicated, all data is shown before management fees, incentive fees, applicable expenses, taxes and does not account for the effects of inflation. Management fees, incentive fees and potential expenses are not considered and would reduce returns. Actual results experienced by investors may vary significantly from the target returns shown. Target Returns May Not Materialize.

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In addition, such target returns do not reflect the actual or expected returns of any portfolio strategy. Such target returns are based on KKR Credit's belief about the returns that may be achievable on investments that the Strategy intends to pursue in light of the experience of KKR and KKR Credit with similar investments historically, their view of current market conditions, potential investment opportunities that KKR Credit is currently or has recently reviewed, availability of financing and certain assumptions about investing conditions and market fluctuation or recovery. Targeted returns on specific investments are based on models, estimates and assumptions about performance believed to be reasonable under the circumstances. There is no guarantee that the facts on which such assumptions are based will materialize as anticipated, that market conditions will not deteriorate or that investment opportunities satisfying the Strategy's targeted returns will be available. Any changes in such assumptions, market conditions or availability of investments may have a material impact on the target return presented. Actual events and conditions may differ materially from those used to establish target returns. Any target return is hypothetical and is not a guarantee of future performance. Target gross returns for individual investments may be greater or less than the Strategy's overall target gross or net returns. Prospective investors should note that the targeted gross returns do not account for the effects of inflation and do not reflect the management fees, "carried interest," taxes, transaction costs and other expenses that will be borne by investors in the Fund, which will reduce returns and, in the aggregate, are expected to be substantial. Targeted returns are subject to significant economic, market and other uncertainties that may adversely affect the performance of any investments. Prospective investors are encouraged to contact the representatives of KKR Credit to discuss the procedures and methodologies (including assumptions) used to calculate the Fund's targeted returns.

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References to "assets under management" or "AUM" represent the assets managed by KKR or its strategic partners as to which KKR is entitled to receive a fee or carried interest (either currently or upon deployment of capital) and general partner capital. KKR calculates the amount of AUM as of any date as the sum of: (i) the fair value of the investments of KKR's investment funds; (ii) uncalled capital commitments from these funds, including uncalled capital commitments from which KKR is currently not earning management fees or carried interest; (iii) the fair value of investments in KKR's co-investment vehicles; (iv) the par value of outstanding CLOs (excluding CLOs wholly-owned by KKR); (v) KKR's pro-rata portion of the AUM managed by strategic partnerships in which KKR holds a minority ownership interest and (vi) the fair value of other assets managed by KKR. The pro-rata portion of the AUM managed by strategic partnerships is calculated based on KKR's percentage ownership interest in such entities multiplied by such entity's respective AUM. KKR's calculation of AUM may differ from the calculations of other asset managers and, as a result, KKR's measurements of its AUM may not be comparable to similar measures presented by other asset managers. KKR's definition of AUM is not based on the definitions of AUM that may be set forth in agreements governing the investment funds, vehicles or accounts that it manages and is not calculated pursuant to any regulatory definitions.

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References in this presentation to "Gross IRR" are to the internal rate of return or multiple of invested capital, respectively, calculated at investment level, and thus do not take into consideration the payment of applicable management fees, carried interest, transaction costs, borrowing costs and other expenses borne by the relevant KKR investment, which will have a material impact on returns. In the case of unrealized investments, the gross returns are based on internal valuations by KKR of unrealized investments as of the applicable date. The actual realized returns on such unrealized investments will depend on, among other factors, future operating results, the value of the assets, and market conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which the valuations used in the prior performance data contained herein are based. Accordingly, the actual realized return of these unrealized investments may differ materially from the returns indicated herein.

References to "Net IRR" are to the internal rate of return calculated at fund level, after payment of applicable management fees, organizational expenses and carried interest but do not reflect transaction costs that would be incurred in connection with the disposition of unrealized investments if realized. Internal rates of return are computed on a "dollar-weighted" basis, which takes into account the timing of cash flows, the amounts invested at any given time, and unrealized values as of the relevant valuation date. Multiples of invested capital referred to in this presentation have been calculated based on figures for the cost and total value of KKR fund investments that have been rounded to the nearest \$100,000.

Important Information

The indices referenced herein are broad-based securities market indices and used for illustrative purposes only. They have been selected because they are well known and easily recognizable. Broad-based securities indices are unmanaged and are not subject to fees and expenses typically associated with managed accounts or investment funds. Investments cannot be made directly into an index. The performance of the indices represents unmanaged, passive buy-and-hold strategies, investment characteristics and risk/return profiles that differ materially from managed accounts or investment funds, and an investment in a managed account or investment fund is not comparable to an investment in such index or in the securities that comprise the index. The Fund may employ leverage, whereas the indices are unleveraged. Investments of the Fund may be illiquid, making, at times, fair market valuation impossible or impracticable. As a result, valuation of the Fund may be volatile, reducing the utility of comparison to any index whose underlying securities are priced according to market value, such as the indices. Investors should be aware that the Fund may incur losses both when major indices are rising and when they are falling.

The statistical data included in this presentation regarding the indices has been obtained from sources believed to be reliable. The market index returns assume that on the day a portfolio investment is made, a hypothetical investment in a matching amount is made in the index. For each date on which either a portion or all of the portfolio investment is sold, a hypothetical index multiple (factor) is calculated by comparing the change in index value between the two dates. The cost of the investment sold (or portion of cost sold) is multiplied by this factor, resulting in a hypothetical index value. The return is calculated using these dates of investment and hypothetical value(s) generated. Index returns assume reinvestment of dividends and do not reflect any fees or expenses associated with a private fund. The indices are presented for comparison purposes only and should not be relied upon. All index performance is dated as of the date indicated herein. The index is presented for comparison purposes only and should not be relied upon. All index performance is dated as of the date indicated herein.

- The S&P LSTA US Leveraged Loan Index is a daily tradable index for the U.S. loan market that seeks to mirror the market-weighted performance of the largest institutional loans that meet the inclusion criteria and that have marks from the LSTA/LPC mark-to-market service. The inclusion criteria consist of the following: i) syndicated term loan instruments consisting of term loans (both amortizing and institutional), acquisition loans (after they are drawn down) and bridge loans; ii) secured; iii) U.S. dollar denominated; iv) minimum term of one year at inception; and v) minimum initial spread of LIBOR plus 1.25%.
- The Barclays Aggregate Bond Index is a broad-based benchmark that measures the investment grade, fixed-rate bond market, such as Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS.

The performance shown herein is not the performance of the Fund and is not an indication of how the Fund would have performed in the past or will perform in the future. The Fund's performance in the future will be different from the performance shown due to factors including, but not limited to, differences in cash flows, expenses, performance calculation methods, and portfolio sizes and composition. It should be noted that other investment vehicles and proprietary accounts of KKR have made originated senior debt and other investments that may have been appropriate for the Fund and are not presented herein.