

**FS | KKR**

**FSK** | FS KKR Capital Corp.

**FSKR** | FS KKR Capital Corp. II

# FS KKR BDC Franchise

## Financial Information

QUARTER ENDED JUNE 30, 2020

Including: FS KKR Capital Corp. (FSK) and FS KKR Capital Corp. II (FSKR)

**FSK** | FS KKR Capital Corp.

# **FSK Second Quarter Results**

# FSK - Summary of Quarterly Results

<p><b>Second Quarter Performance</b></p>	<ul style="list-style-type: none"> <li>• Net investment income (NII) for the quarter ended June 30, 2020 was \$77 million, or \$0.62 per share, as compared to \$98 million, or \$0.78 per share, for the quarter ended March 31, 2020. <sup>(1)</sup></li> <li>• Net asset value (NAV) per share as of June 30, 2020 was \$23.37, compared to \$24.36 as of March 31, 2020. <sup>(1)</sup></li> <li>• Net realized and unrealized losses on investments of \$132 million, or \$1.08 per share, for the quarter ended June 30, 2020, as compared to net realized and unrealized losses on investments of \$801 million, or \$6.36 per share, for the quarter ended March 31, 2020. <sup>(1)</sup></li> </ul>
<p><b>Investment Activity</b></p>	<ul style="list-style-type: none"> <li>• New investment fundings in the second quarter were approximately \$253 million. Net investment activity in the second quarter was (\$91) million, net of \$126 million of sales to Strategic Credit Opportunities Partners, LLC (SCJV).</li> <li>• As of June 30, 2020, 90% of total investments at fair value were in Direct Originations.<sup>(2)</sup></li> </ul>
<p><b>Dividend</b></p>	<ul style="list-style-type: none"> <li>• Paid a dividend of \$0.60 per share for the second quarter of 2020.</li> <li>• Board of Directors has declared a dividend of \$0.60 per share for the third quarter of 2020.</li> <li>• For quarter ended June 30, 2020, the NII / Dividend coverage ratio was 103%.</li> </ul>
<p><b>Portfolio Diversification</b></p>	<ul style="list-style-type: none"> <li>• Diversified portfolio with 173 portfolio companies spread across 23 industries.</li> <li>• Exposure to the top ten largest portfolio companies by fair value was 22% as of June 30, 2020.</li> </ul>
<p><b>Stock Support</b></p>	<ul style="list-style-type: none"> <li>• Completed the \$200 million share buyback program.</li> <li>• Since the listing of CCT in November 2017, the combined FSK entity has repurchased approximately \$484 million of shares.</li> <li>• Announced on May 6, 2020, that certain affiliates of the owners of FSK's investment adviser have committed \$100 million to a \$350 million investment vehicle established to invest from time to time in shares of FSK and FSKR. Through July 31, 2020, this vehicle has purchased approximately \$20 million of FSK common stock.</li> </ul>

1. Effective as of June 15, 2020, FSK completed a 4-to-1 reverse stock split of its shares of common stock (the FSK Reverse Stock Split). As a result of the FSK Reverse Stock Split, every four shares of FSK's common stock issued and outstanding were automatically combined into one share of FSK's common stock. The share and per share amounts reflect the FSK Reverse Stock Split on a retroactive basis.

2. Direct Originations are defined as investments where FSK's investment adviser, sub-adviser or their affiliates had negotiated the terms of the transaction beyond just the price, which, for example, may include negotiating financial covenants, maturity dates or interest rate terms or where we participate in other originated investment where there may be third parties involved, or a bank acting as an intermediary, for a closely held club, or similar investment. These direct originations include investments originated by FSK's former investment adviser, sub-adviser or their affiliates.

# FSK Financial Results

<i>(Dollar amounts in millions, except per share data)</i>	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
NII per share <sup>(1)</sup>	\$0.77	\$0.89	\$0.79	\$0.78	\$0.62
Adjusted NII per share <sup>(1) (2)</sup>	\$0.77	\$0.89	\$0.83	\$0.78	\$0.62
Net realized and unrealized gains (losses) per share <sup>(1)</sup>	\$0.00	(\$0.34)	(\$1.00)	(\$6.36)	(\$1.08)
Net increase (decrease) in net assets resulting from operations (earnings per share) <sup>(1)</sup>	\$0.77	\$0.55	(\$0.21)	(\$5.59)	(\$0.44)
Stockholder distributions per share <sup>(1)</sup>	\$0.76	\$0.76	\$0.76	\$0.76	\$0.60
Net asset value per share at period end <sup>(1)</sup>	\$31.51	\$31.42	\$30.54	\$24.36	\$23.37
Weighted average shares outstanding (in millions) <sup>(1)</sup>	130.5	128.6	127.2	125.9	123.8
Shares outstanding, end of period (in millions) <sup>(1)</sup>	130.1	128.1	126.6	124.3	123.8
Total investments at fair value	\$7,283	\$7,218	\$7,357	\$6,945	\$6,624
Total assets	\$7,744	\$7,774	\$8,216	\$7,439	\$6,956
Cash <sup>(3)</sup>	\$288	\$126	\$106	\$193	\$95
Total debt <sup>(4)</sup>	\$3,451	\$3,522	\$4,195	\$4,258	\$3,928
Debt-to-equity, Net <sup>(5)</sup>	0.76x	0.78x	0.89x	1.28x	1.29x
Adjusted NII / total recurring dividend	102%	117%	111%	103%	103%

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

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.

# FSK Portfolio Highlights

<i>(Dollar amounts in millions)</i>	As of and for Three Months Ended				
	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20
<b>Investment at Fair Value:</b>					
First Lien Senior Secured Loans	52.8%	50.8%	50.6%	54.4%	52.3%
Second Lien Senior Secured Loans	15.8%	17.0%	16.3%	13.1%	12.8%
Other Senior Secured Debt	3.8%	3.8%	3.2%	2.4%	2.0%
Subordinated Debt	5.4%	5.4%	5.6%	5.0%	3.8%
Asset Based Finance	9.9%	9.7%	10.0%	11.2%	13.4%
Strategic Credit Opportunities Partners	4.0%	5.9%	6.5%	7.7%	9.2%
Equity/Other	8.3%	7.4%	7.8%	6.2%	6.5%
<b>Total Investments</b>	<b>\$7,283</b>	<b>\$7,218</b>	<b>\$7,357</b>	<b>\$6,945</b>	<b>\$6,624</b>
Number of portfolio companies <sup>(1)</sup>	197	201	210	184	173
<b>Interest Rate Type:<sup>(2)</sup></b>					
% Floating Rate	80.9%	81.3%	81.7%	84.4%	85.8%
% Fixed Rate	19.1%	18.7%	18.3%	15.6%	14.2%
<b>Net Interest Margin:</b>					
Weighted average annual yield on accruing debt investments <sup>(3)</sup>	10.5%	10.1%	9.7%	9.0%	8.7%
Weighted average interest rate on borrowings <sup>(4)</sup>	4.6%	4.4%	4.0%	3.7%	3.9%

- Does not look through to FSK's portfolio companies held solely in SCJV. SCJV is a joint venture between FSK and South Carolina Retirement Systems Group Trust (SCRS).
- 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 FV. Floating includes variable interest rates on asset back finance investments that can change quarter to quarter.
- FSK's weighted average annual yield on all debt investments was 7.4% as of June 30, 2020. 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.
- Includes the effect of non-usage fees.

# FSK Investment Portfolio Composition

**173**

portfolio companies

**22%**

FV in top-10 portfolio companies<sup>2</sup>

**67%**

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

**\$66mm / 5.4x**

Median portfolio company EBITDA & leverage

**86%**

of debt investments are floating rate<sup>3</sup>

**8.7%**

Wtd. avg. annual yield on accruing debt investments<sup>4</sup>

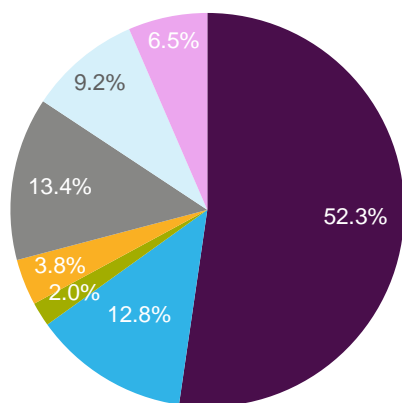
**3.8%**

Non-accrual rate at FV

**>95%**

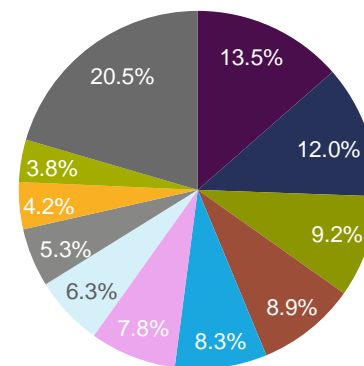
Lead, co-lead, or sole origination<sup>5</sup>

## 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
- Real Estate
- Commercial & Professional Services
- Diversified Financials
- Retailing
- Consumer Durables & Apparel
- Insurance
- Other

**Total Investments at Fair Value: \$6,624mm**

Note: All stats as of June 30, 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 Quarterly Report on Form 10-Q for its definition of debt investments.

4. See FSK's Quarterly Report on Form 10-Q 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)	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Investment Purchases	\$513	\$698	\$1,147	\$1,296	\$253
Sales and Redemptions <sup>(1)</sup>	(692)	(723)	(929)	(914)	(470)
<b>Net Investment Activity</b>	<b>(\$179)</b>	<b>(\$25)</b>	<b>\$218</b>	<b>\$382</b>	<b>(\$217)</b>
Net Sales to SCJV	-	274	376	102	126
<b>Adjusted Net Investment Activity</b>	<b>(\$179)</b>	<b>\$249</b>	<b>\$594</b>	<b>\$484</b>	<b>(\$91)</b>

Asset Mix of New Purchases <sup>(2)</sup>	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
First Lien Senior Secured Loans	69%	53%	72%	73%	52%
Second Lien Senior Secured Loans	1%	14%	8%	0%	0%
Other Senior Secured Debt	6%	0%	0%	0%	0%
Subordinated Debt	3%	0%	0%	4%	0%
Asset Based Finance	21%	14%	11%	10%	11%
Investment in SCJV	0%	19%	6%	13%	36%
Equity/Other	0%	0%	3%	0%	0%

1. Includes net sales to SCJV.

2. Zero represents an amount less than 0.5%.

# FSK Net Asset Value Bridge



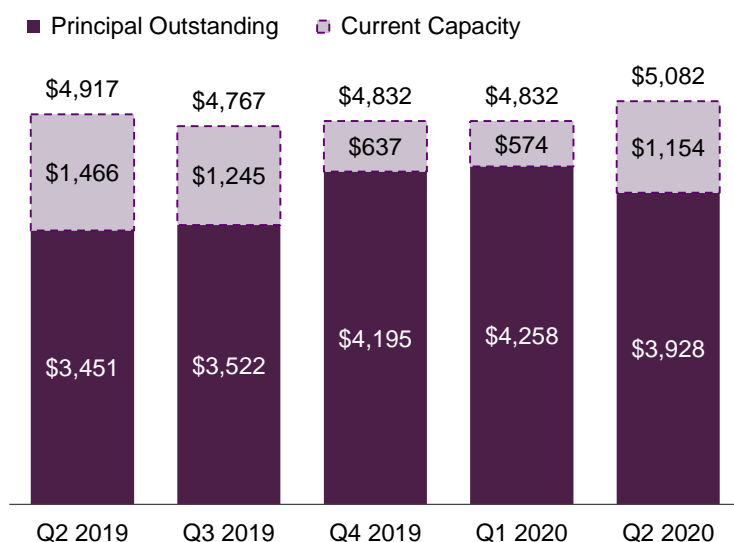
1. Per share data derived using the weighted average shares outstanding during the period. The share and per share amounts reflect the FSK Reverse Stock Split on a retroactive basis.



# FSK Funding and Liquidity Management

- Mature capital structure with diversified funding sources and no near-term maturities
- Short term flexibility of \$1,154m of undrawn debt capacity
- Unsecured debt represents approximately 46% of our drawn debt

## Leverage over Time (\$mm)



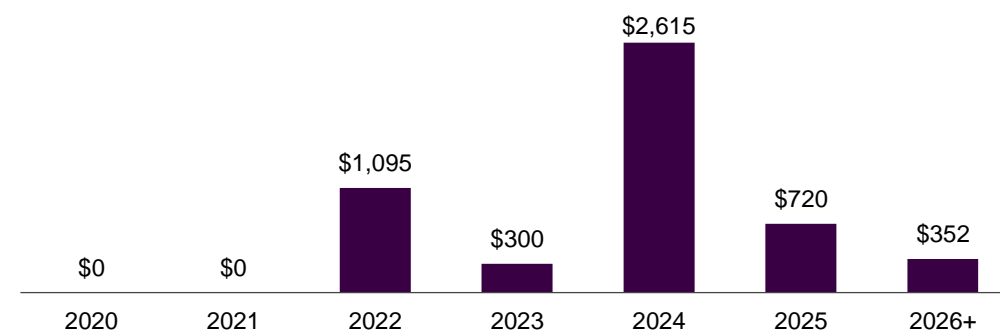
<b>Cash (\$mm)<sup>(1)</sup></b>	288.0	126.0	106.0	193.0	95.0
<b>Gross D/E</b>	0.84x	0.88x	1.09x	1.41x	1.36x
<b>Net D/E<sup>(2)</sup></b>	0.76x	0.78x	0.89x	1.28x	1.29x
<b>Asset Coverage</b>	219%	214%	192%	171%	174%

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 June 30, 2020. Includes the effect of non-usage fees.

## Funding Vehicles (\$mm)

Funding Source	Committed	Principal Outstanding	Maturity	Wtd. Avg. Rate <sup>(3)</sup>
Senior Secured Revolver	2,215	1,124	11/7/24	L+2.00%
JPM Revolver	400	371	9/28/22	L+2.50%
SMBC Revolver	300	266	6/2/23	L+1.75%
<b>Total Revolver – 57.4%</b>	<b>2,915</b>	<b>1,761</b>		
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%
<b>Total Unsecured - 35.7%</b>	<b>1,815</b>	<b>1,815</b>		
FS KKR MM CLO 1	352	352	7/15/30	L+1.82%
<b>Total CLO – 6.9%</b>	<b>352</b>	<b>352</b>		
<b>Total</b>	<b>\$5,082</b>	<b>\$3,928</b>		<b>3.86%</b>

## Maturity Profile (\$mm)



# FSK's SCJV Offers Key Investor Benefits

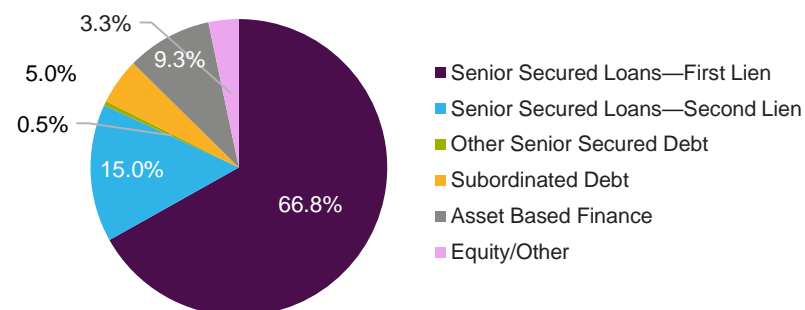
## FSK's joint venture with South Carolina Retirement Systems Group Trust

- **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

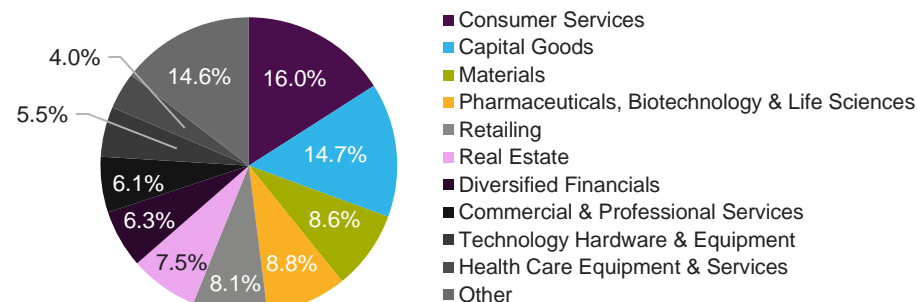
## June 30, 2020 update:

- **Portfolio**
  - Fair value of investments was \$1,447mm
- **Key stats**
  - NAV of \$699mm (FSK's equity of SCJV was \$612mm)
  - \$129mm net purchases in Q2
  - \$134mm of uncalled equity capital (\$117mm allocated to FSK)
  - 1.07x net debt-to-equity ratio<sup>(1)(2)</sup>
  - \$15.8mm dividend declared to FSK in Q2 (\$18.0mm total dividend)

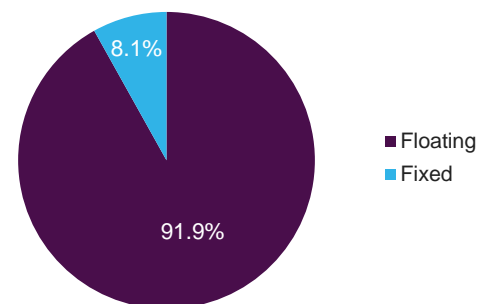
## Security Exposure (by fair value)



## Sector Exposure (by fair value)



## Fixed / Floating – Debt Investments

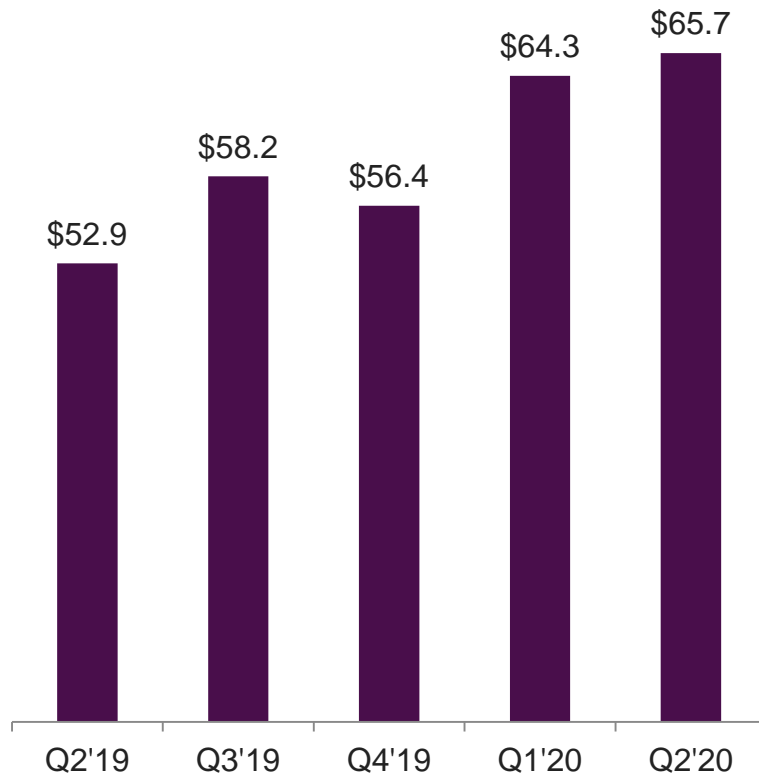


1. Net debt-to-equity ratio is debt outstanding, net of cash and foreign currency and net payable/receivable for investments purchased/sold and repaid, divided by net assets.

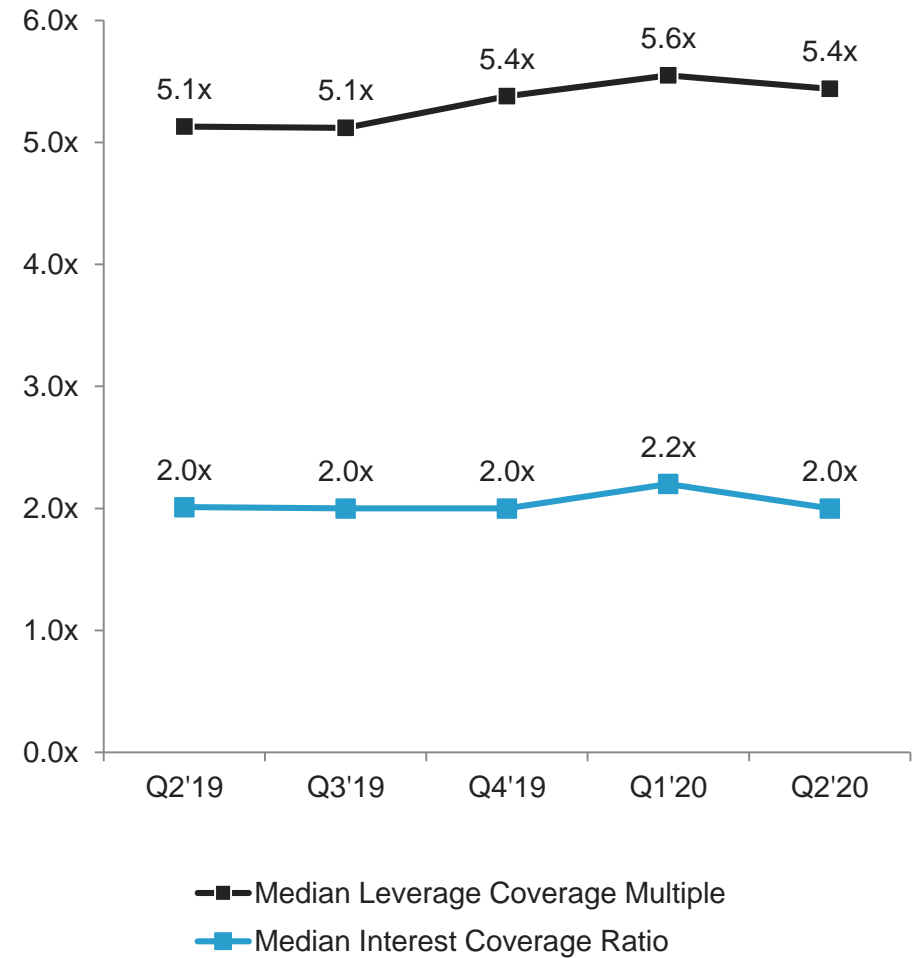
2. Net debt-to-equity ratio expected to decline as capital calls are issued in connection with the settlement of outstanding trades. 10

# FSK Direct Origination Investments EBITDA and Credit Statistics

Direct Origination Portfolio Company  
Median EBITDA

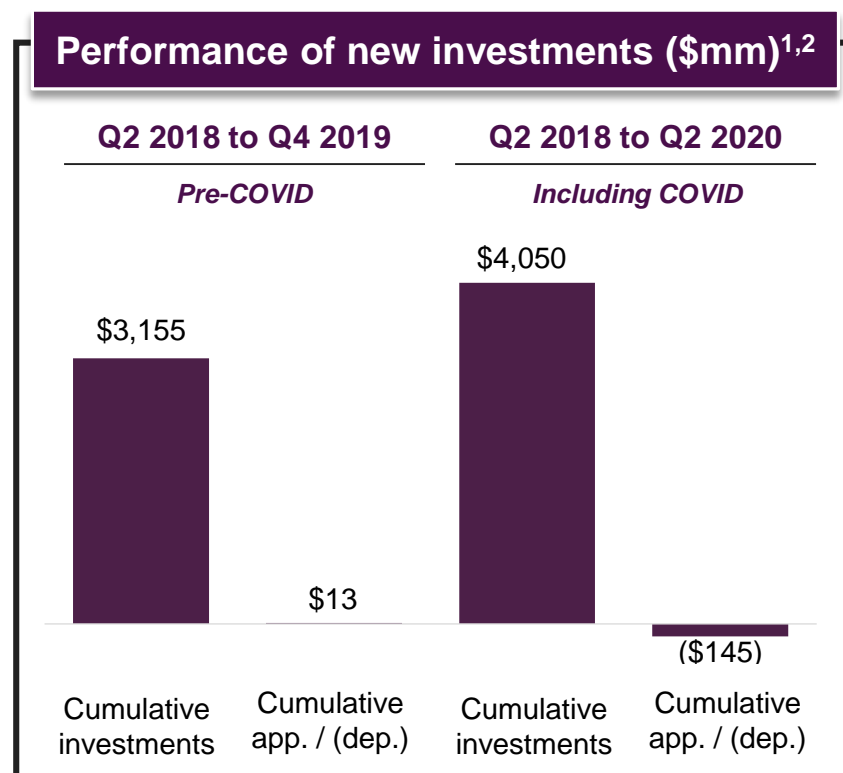
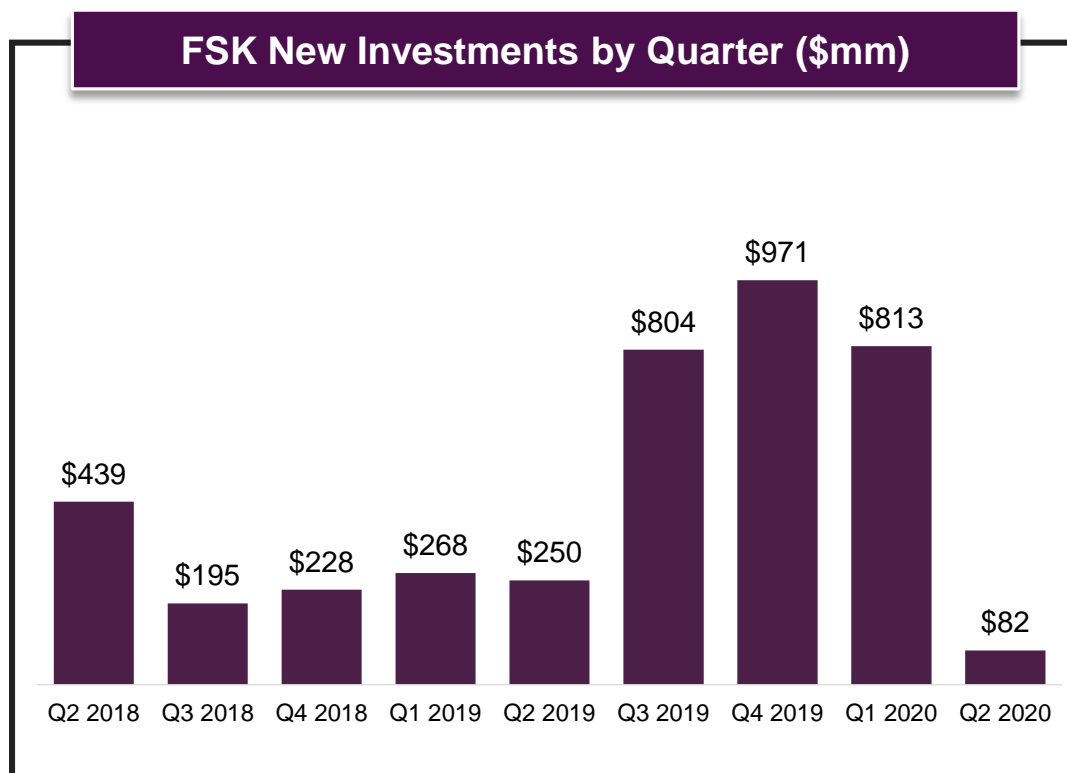


Direct Origination Portfolio Company  
Coverage Ratios



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

# FS / KKR Advisor Performance



- Cumulative appreciation totaled 0.42% as of December 31, 2019
- Cumulative depreciation totaled 3.58% on investments totaling \$4.1bn as of June 30, 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.

**FSKR** | FS KKR Capital Corp. II

# **FSKR Second Quarter Results**

# FSKR - Summary of Quarterly Results

## Second Quarter Performance

- Net investment income (NII) for the quarter ended June 30, 2020 was \$75 million, or \$0.44 per share, as compared to \$93 million, or \$0.55 per share, for the quarter ended March 31, 2020.<sup>(1)</sup>
- Adjusted NII<sup>(2)</sup> for the quarter ended June 30, 2020 was \$82 million, or \$0.48 per share.<sup>(1)</sup>
- Net asset value (NAV) per share as of June 30, 2020 was \$24.22, compared to \$24.68 as of March 31, 2020.<sup>(1)</sup>
- Net realized and unrealized losses on investments of \$53 million, or \$0.30 per share, for the quarter ended June 30, 2020, as compared to net realized and unrealized losses on investments of \$801 million, or \$4.72 per share, for the quarter ended March 31, 2020.<sup>(1)</sup>

## Investment Activity

- New investment fundings in the second quarter were approximately \$182 million. Net investment activity in the second quarter was (\$185) million on a gross basis.
- As of June 30, 2020, 88% of total investments at fair value were in Direct Originations.<sup>(3)</sup>
- Net debt-to-equity was 0.75x at June 30, 2020.

## Dividend

- Prior to the listing on the NYSE, paid a dividend of \$0.60 per share for the second quarter of 2020.<sup>(1)</sup>
- Board of Directors has declared a dividend of \$0.55 per share for the third quarter of 2020.
- For the quarter ended June 30, 2020, the NII / Dividend coverage ratio was 73%.
- For the quarter ended June 30, 2020, the Adjusted NII<sup>(2)</sup> / Dividend coverage ratio was 80%.

## Portfolio Diversification

- Diversified portfolio with 164 portfolio companies spread across 22 industries.
- Exposure to the top ten largest portfolio companies by fair value was 26% as of June 30, 2020.

## Stock Support

- Executed approximately \$11 million of the \$100 million share buyback program as of July 31, 2020.
- Announced on May 27, 2020, that certain affiliates of the owners of FSKR's investment adviser have committed \$100 million to a \$350 million investment vehicle established to invest from time to time in shares of FSKR. Through July 31, 2020, this vehicle has purchased approximately \$33 million of FSKR common stock.

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

2. Adjusted to remove the impact of \$6.6M of one-time listing expense.

3. Direct Originations are defined as investments where FSKR's investment adviser, sub-adviser or their affiliates had negotiated the terms of the transaction beyond just the price, which, for example, may include negotiating financial covenants, maturity dates or interest rate terms or where we participate in other originated investment where there may be third parties involved, or a bank acting as an intermediary, for a closely held club, or similar investment. These direct originations include investments originated by FSKR's former investment adviser, sub-adviser or their affiliates.

# FSKR Financial Results

<i>(Dollar amounts in millions, except per share data)</i>	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
NII per share <sup>(1)</sup>	\$0.70	\$0.72	\$0.67	\$0.55	\$0.44
Adjusted NII per share <sup>(1) (2)</sup>	\$0.70	\$0.72	\$0.68	\$0.55	\$0.48
Net realized and unrealized gains (losses) per share <sup>(1)</sup>	(\$0.19)	(\$0.99)	(\$0.67)	(\$4.72)	(\$0.30)
Net increase (decrease) in net assets resulting from operations (earnings per share) <sup>(1)</sup>	\$0.52	(\$0.27)	-	(\$4.17)	\$0.13
Stockholder distributions per share <sup>(1)</sup>	\$0.75	\$0.75	\$0.75	\$0.60	\$0.60
Net asset value per share at period end <sup>(1)</sup>	\$31.37	\$30.34	\$29.46	\$24.68	\$24.22
Weighted average shares outstanding (in millions) <sup>(1)</sup>	81.1	81.8	94.0	169.6	171.6
Shares outstanding, end of period (in millions) <sup>(1)</sup>	81.6	82.4	169.6	169.6	172.9
Total investments	\$4,401	\$4,255	\$8,591	\$7,464	\$7,281
Total assets	\$4,409	\$4,446	\$8,970	\$8,184	\$7,758
Cash <sup>(3)</sup>	\$303	\$110	\$167	\$232	\$295
Total debt <sup>(4)</sup>	\$1,749	\$1,828	\$3,809	\$3,634	\$3,386
Debt-to-equity, Net <sup>(5)</sup>	0.58x	0.70x	0.73x	0.76x	0.74x
Adjusted NII / total recurring dividend	93%	96%	90%	91%	80%

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

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				
	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20
<b>Investment at Fair Value:</b>					
First Lien Senior Secured Loans	70.9%	70.1%	66.5%	68.5%	66.7%
Second Lien Senior Secured Loans	9.2%	10.3%	9.4%	9.3%	8.7%
Other Senior Secured Debt	5.2%	4.8%	2.7%	2.0%	1.4%
Subordinated Debt	5.4%	5.6%	5.7%	3.1%	2.4%
Asset Based Finance	2.3%	2.9%	5.7%	7.9%	9.3%
Credit Opportunities Partners	0.0%	0.0%	5.9%	5.8%	7.9%
Equity/Other	7.0%	6.3%	4.1%	3.4%	3.6%
<b>Total Investments</b>	<b>\$4,041</b>	<b>\$4,255</b>	<b>\$8,591</b>	<b>\$7,464</b>	<b>\$7,281</b>
Number of portfolio companies <sup>(1)</sup>	164	174	213	179	164
<b>Interest Rate Type:<sup>(2)</sup></b>					
% Floating Rate	84.7%	85.4%	83.2%	85.6%	87.8%
% Fixed Rate	15.3%	14.6%	16.8%	14.4%	12.2%
<b>Net Interest Margin:</b>					
Weighted average annual yield on accruing debt investments <sup>(3)</sup>	10.0%	9.9%	9.5%	8.9%	8.7%
Weighted average interest rate on borrowings <sup>(4)</sup>	5.2%	4.8%	4.3%	3.9%	3.5%

1. 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).

2. Represents interest rates on Debt Investments (see FSKR's Quarterly Report on Form 10-Q 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.

3. FSKR's weighted average annual yield on all debt investments was 7.4% as of June 30, 2020. See FSKR'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.

4. Includes the effect of non-usage fees.



# FSKR Investment Portfolio Composition

**164**

portfolio companies

**26%**

FV in top-10 portfolio companies<sup>2</sup>

**77%**

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

**\$66mm / 5.1x**

Median portfolio company EBITDA & leverage

**88%**

of debt investments are floating rate<sup>3</sup>

**8.7%**

Wtd. avg. annual yield on accruing debt investments<sup>4</sup>

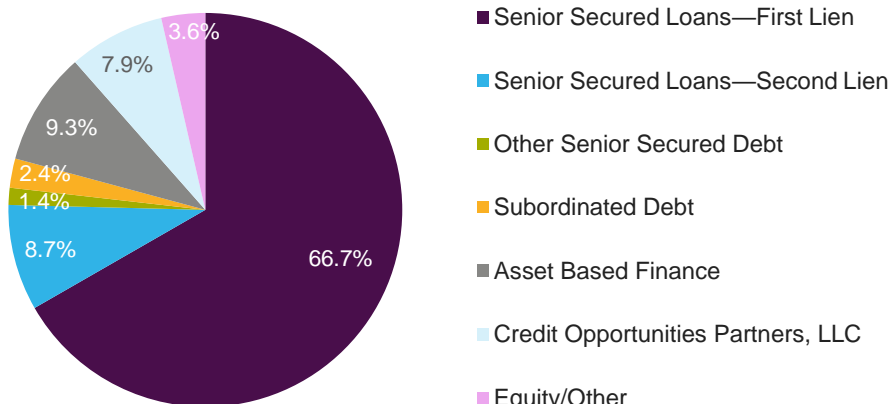
**5.4%**

Non-accrual rate at FV

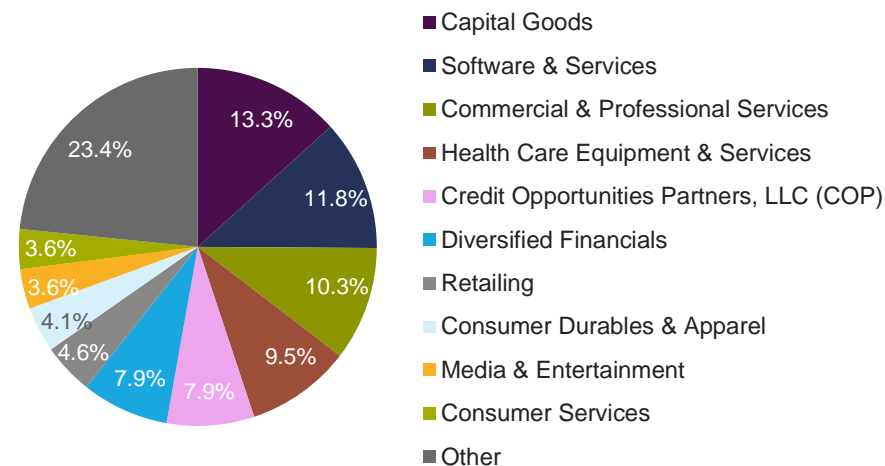
**>95%**

Lead, co-lead, or sole origination<sup>5</sup>

## Security Exposure (by fair value)



## Sector Exposure (by fair value)



**Total Investments at Fair Value: \$7,281mm**

Note: All stats as of June 30, 2020 unless otherwise noted.

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

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

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

4. See FSKR's Quarterly Report on Form 10-Q 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

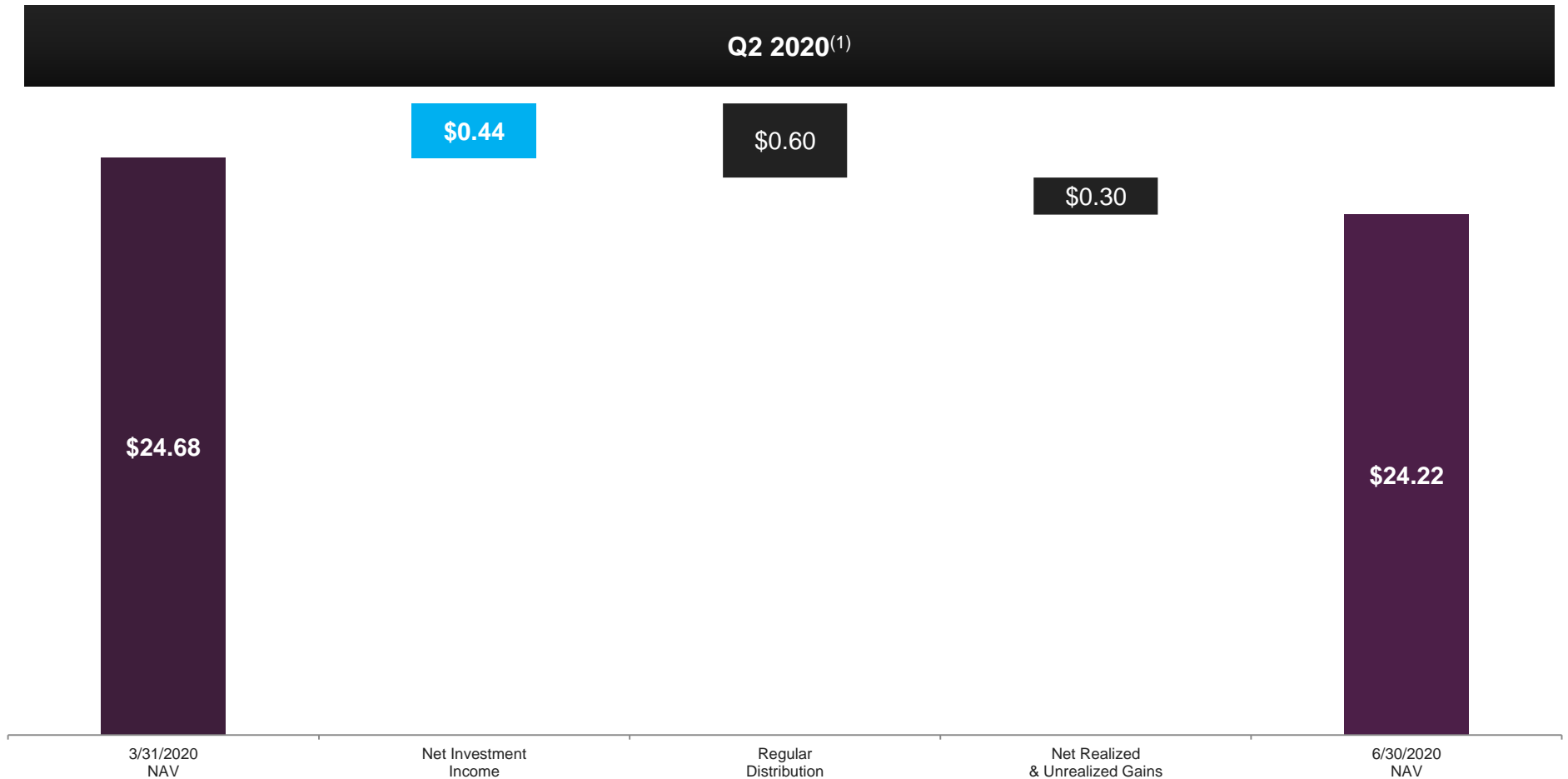
Portfolio Roll (\$ in millions)	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
Investment Purchases	\$276	\$428	\$1,276	\$1,317	\$182
Sales and Redemptions <sup>(1)</sup>	(870)	(141)	(1,326)	(1,643)	(367)
<b>Net Investment Activity</b>	<b>(\$594)</b>	<b>\$287</b>	<b>(\$50)</b>	<b>(\$326)</b>	<b>(\$185)</b>
Net Sales to COP	-	-	503	253	-
<b>Adjusted Net Investment Activity</b>	<b>(\$594)</b>	<b>\$287</b>	<b>\$453</b>	<b>(\$73)</b>	<b>(\$185)</b>

Asset Mix of New Purchases <sup>(2)</sup>	Q2 2019	Q3 2019	Q4 2019	Q1 2020	Q2 2020
First Lien Senior Secured Loans	62%	69%	46%	82%	13%
Second Lien Senior Secured Loans	1%	17%	11%	3%	8%
Other Senior Secured Debt	15%	0%	0%	0%	0%
Subordinated Debt	6%	4%	0%	4%	0%
Asset Based Finance	16%	10%	8%	11%	21%
Investment in COP	0%	0%	34%	0%	48%
Equity/Other	0%	0%	1%	0%	10%

1. Includes net sales to COP.

2. Zero represents an amount less than 0.5%.

# FSKR Net Asset Value Bridge – Q2 2020

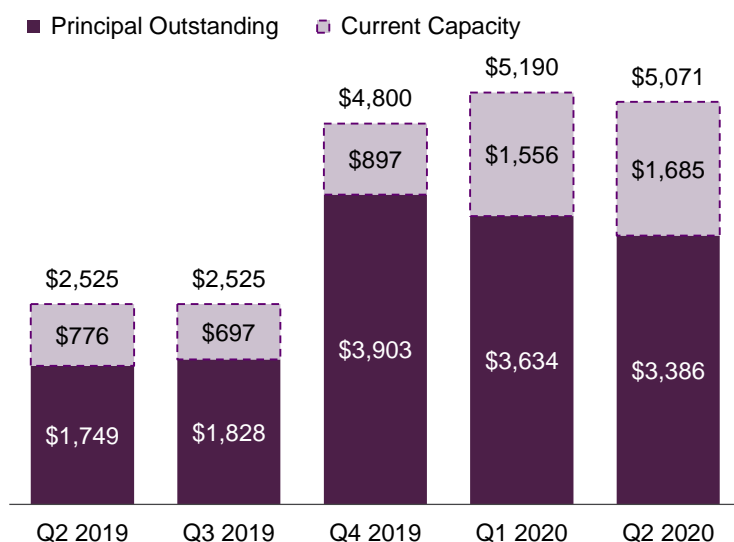


1. Per share data derived using the weighted average shares outstanding during the period. The share and per share amounts reflect the FSKR Reverse Stock Split on a retroactive basis.

# FSKR Funding and Liquidity Management

- Short term flexibility of \$1,685m of undrawn debt capacity
- Partially repaid \$125m of the GS Term Loan in Q3; remaining \$175m facility scheduled to be repaid in December 2020
- Unsecured debt represents approximately 14% of our drawn debt

## Leverage over Time (\$mm)



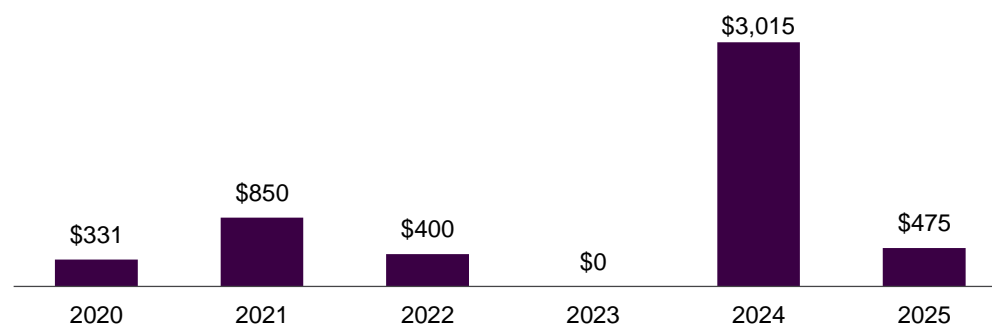
<b>Cash (\$mm)<sup>(1)</sup></b>	302.6	109.7	167.0	232.0	295.0
<b>Gross D/E</b>	0.68x	0.73x	0.77x	0.87x	0.81x
<b>Net D/E<sup>(2)</sup></b>	0.58x	0.70x	0.74x	0.76x	0.75x
<b>Asset Coverage</b>	246%	237%	231%	215%	224%

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 June 30, 2020. Includes the effect of non-usage fees.

## Funding Vehicles (\$mm)

Funding Source	Committed	Principal Outstanding	Maturity	Wtd. Avg. Rate <sup>(3)</sup>
Senior Secured Revolver	1,765	748	11/7/24	L+2.00%
BNP Prime Brokerage	31	30	12/26/20	L+1.25%
JPM Revolver – 1	850	680	10/11/21	L+2.45%
JPM Revolver – 2	400	320	7/15/22	L+2.50%
DB Revolvers	750	555	2/26/24	L+1.98%
Ally Revolver	200	118	11/22/24	L+2.25%
MS Revolver	300	160	11/22/24	L+2.25%
<b>Total Revolver – 84.7%</b>	<b>4,296</b>	<b>2,611</b>		
GS Term Loan	300	300	12/15/20	L+2.50%
<b>Total Term Loan - 5.9%</b>	<b>300</b>	<b>300</b>		
4.250% Notes	475	475	2/14/25	4.25%
<b>Total Unsecured - 9.4%</b>	<b>475</b>	<b>475</b>		
<b>Total</b>	<b>\$5,071</b>	<b>\$3,386</b>		<b>3.54%</b>

## Maturity Profile (\$mm)



# FSKR's COP Offers Key Investor Benefits

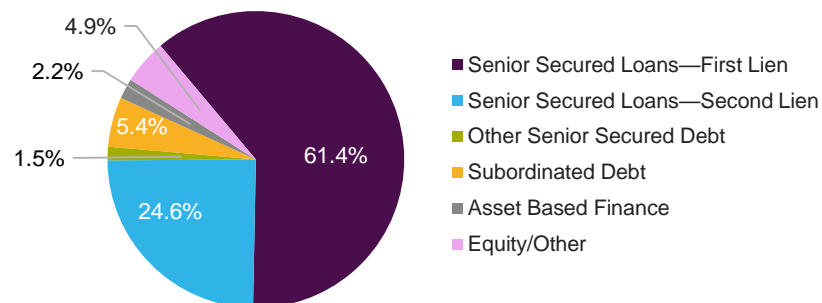
## FSKR's joint venture with South Carolina Retirement Systems Group Trust

- **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

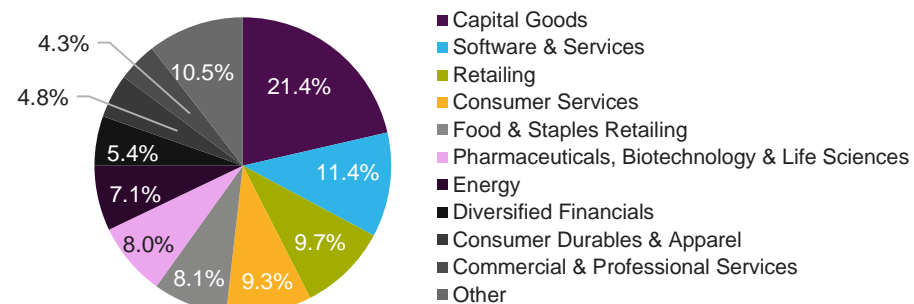
## June 30, 2020 update:

- **Portfolio**
  - Fair value of investments was \$1,106mm
- **Key stats**
  - NAV of \$657mm (FSKR's equity of SCJV was \$575mm)
  - \$3mm net purchases in Q2
  - \$325mm of uncalled equity capital (\$284mm allocated to FSKR)
  - 0.67x net debt-to-equity ratio<sup>(1)(2)</sup>
  - \$18.4mm dividend declared to FSKR in Q2 (\$21.0mm total dividend)

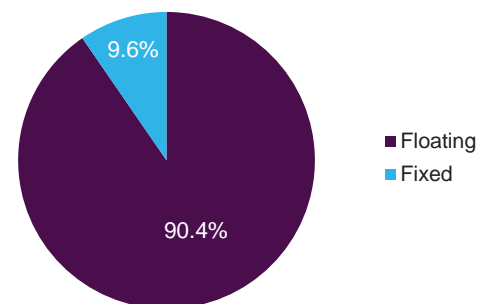
## Security Exposure (by fair value)



## 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.

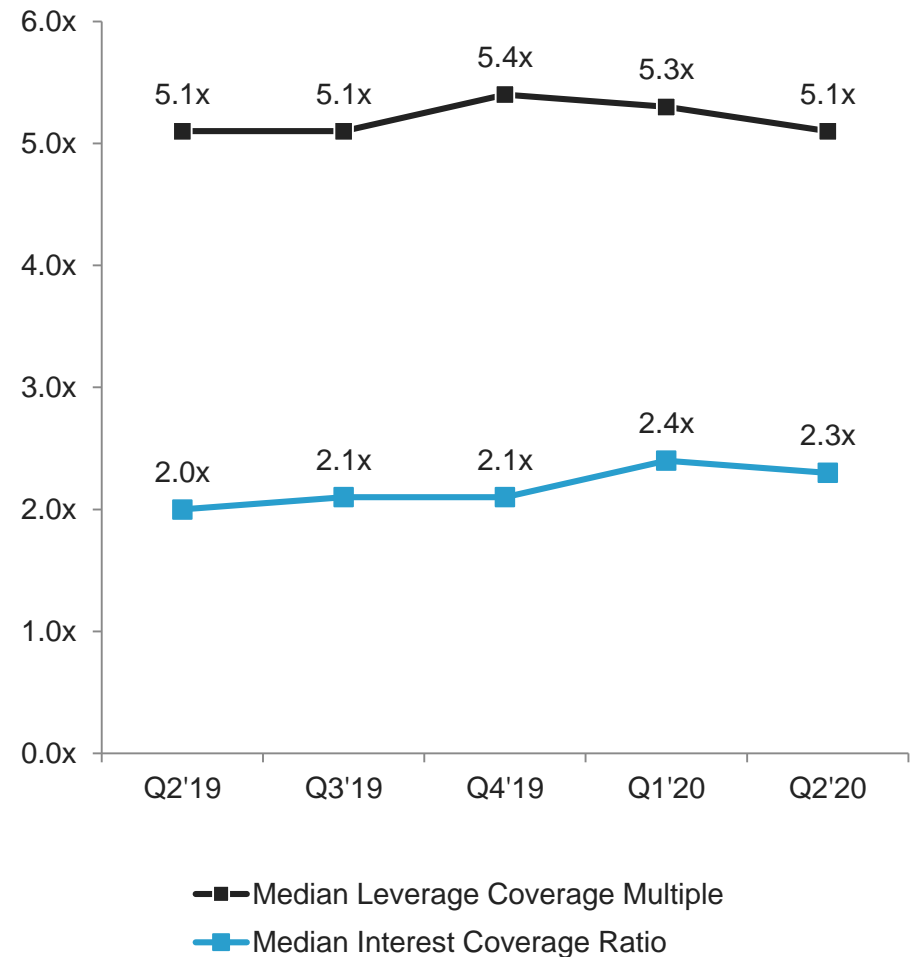
2. Net debt-to-equity ratio expected to decline as capital calls are issued in connection with the settlement of outstanding trades. 21

# FSKR Direct Origination Investments EBITDA and Credit Statistics

Direct Origination Portfolio Company  
Median EBITDA



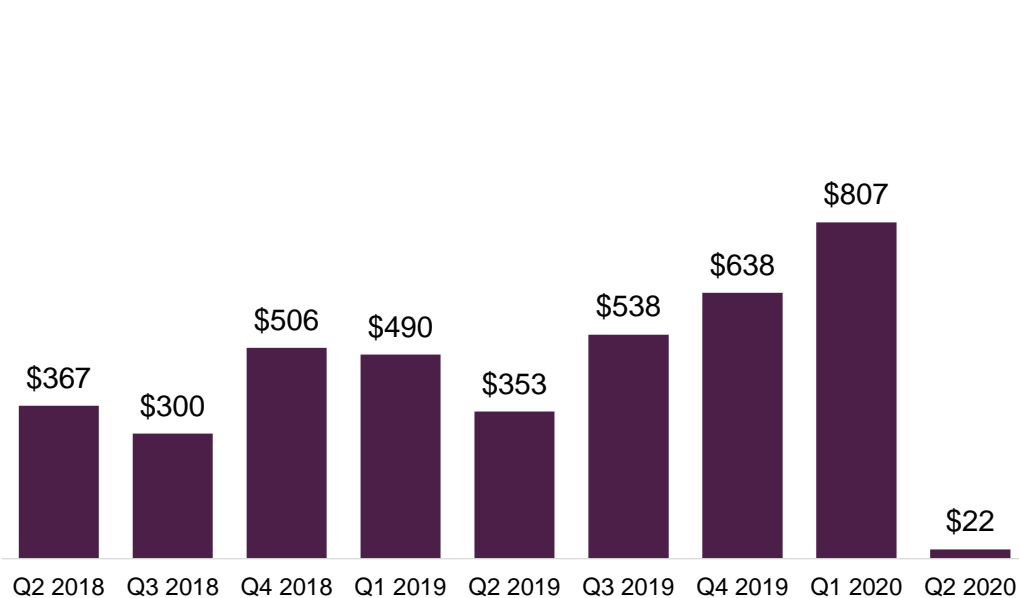
Direct Origination Portfolio Company  
Coverage Ratios



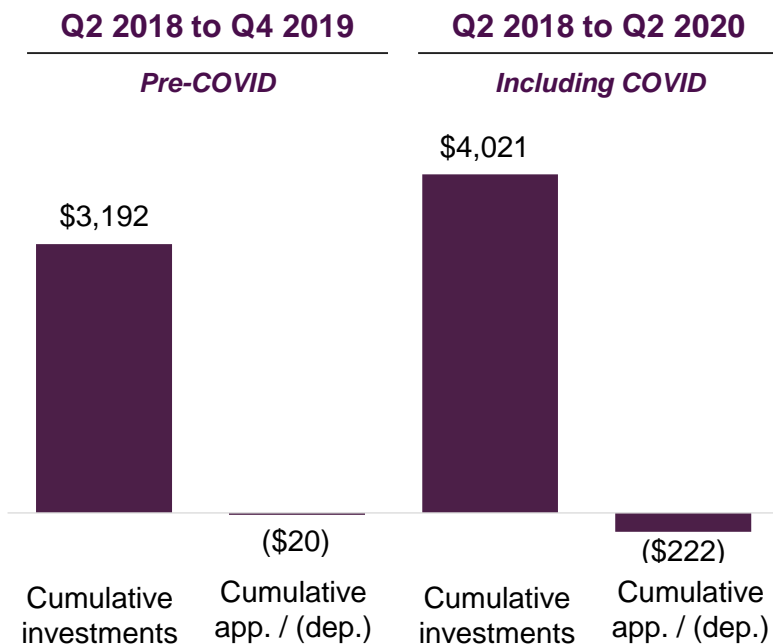
Note: Information based on most recently reported Direct Origination financial information

# FS / KKR Advisor Performance

**FSKR New Investments by Quarter (\$mm)**



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



- Cumulative depreciation totaled 0.62% as of December 31, 2019
- Cumulative depreciation totaled 5.52% on investments totaling \$4.0bn as of June 30, 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.

**FS | KKR**

**FSK** | FS KKR Capital Corp.

**FSKR** | FS KKR Capital Corp. II

# Appendix





# FSK Operating Results

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20
Total investment income	\$199	\$199	\$186	\$179	\$150
Net expenses	(98)	(84)	(79)	(81)	(73)
<b>Net investment income before taxes</b>	<b>\$101</b>	<b>\$115</b>	<b>\$107</b>	<b>\$98</b>	<b>\$77</b>
Excise taxes	-	-	(7)	-	-
<b>GAAP Net investment income</b>	<b>\$101</b>	<b>\$115</b>	<b>\$100</b>	<b>\$98</b>	<b>\$77</b>
Plus: excise taxes	-	-	7	-	-
Plus: one-time expenses <sup>(1)</sup>	-	(1)	-	-	-
<b>Adjusted net investment income<sup>(2)</sup></b>	<b>\$101</b>	<b>\$114</b>	<b>\$107</b>	<b>\$98</b>	<b>\$77</b>
Total net unrealized and realized gains (losses)	0	(44)	(127)	(801)	(132)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$101</b>	<b>\$71</b>	<b>(\$27)</b>	<b>(\$703)</b>	<b>(\$55)</b>
<b>Per Share:<sup>(3)</sup></b>					
Net investment income	\$0.77	\$0.89	\$0.79	\$0.78	\$0.62
Adjusted net investment income <sup>(2)</sup>	\$0.77	\$0.89	\$0.83	\$0.78	\$0.62
Net increase (decrease) in net assets results from operations	\$0.77	\$0.55	(\$0.21)	(\$5.59)	(\$0.44)
Stockholder distributions	\$0.76	\$0.76	\$0.76	\$0.76	\$0.60
Weighted average shares outstanding (millions)	130.5	129.4	127.2	125.9	123.8
Shares outstanding, end of period (millions)	130.1	128.1	126.6	124.3	123.8

1. FSK's one-time expenses for the three months ended September 30, 2019 consist of a reversal of \$1 million resulting from a reduction in the estimate for deferred taxes.

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				
	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20
<b>Investment income:</b>					
Interest income	\$156	\$163	\$133	\$131	\$112
Payment-in-kind interest income	12	11	21	16	15
Fee income	8	7	16	12	6
Total dividend and other income	23	18	16	20	17
<b>Total investment income</b>	<b>\$199</b>	<b>\$199</b>	<b>\$186</b>	<b>\$179</b>	<b>\$150</b>
<b>Operating expenses:</b>					
Investment advisory fees & expenses	28	28	30	30	26
Interest expense	41	42	43	46	42
Incentive fees	25	8	-	-	-
Other operating expenses	4	6	6	5	5
<b>Total operating expenses</b>	<b>\$98</b>	<b>\$84</b>	<b>\$79</b>	<b>\$81</b>	<b>\$73</b>
Net investment income before taxes	101	115	107	98	77
Income taxes, including excise taxes	-	-	(7)	-	-
<b>Net investment income</b>	<b>\$101</b>	<b>\$115</b>	<b>\$100</b>	<b>\$98</b>	<b>\$77</b>
Total net unrealized and realized gains (losses)	0	(44)	(127)	(801)	(132)
<b>Net increase in net assets resulting from operations</b>	<b>\$101</b>	<b>\$71</b>	<b>(\$27)</b>	<b>(\$703)</b>	<b>(\$55)</b>

# FSK Balance Sheet

<i>(Dollar amounts in millions, except per share data)</i>	As of				
	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20
<b>Assets</b>					
Total investments, at fair value	\$7,283	\$7,218	\$7,357	\$6,945	\$6,624
Cash	264	115	93	179	87
Foreign currency, at fair value	24	11	13	14	8
Receivable for investments sold and repaid	86	328	657	204	137
Income receivable	77	84	82	79	78
Unrealized appreciation on foreign currency forward contracts	3	9	1	3	3
Deferred financing costs	5	6	10	10	13
Prepaid expenses and other assets	2	3	3	5	6
<b>Total Assets</b>	<b>\$7,744</b>	<b>\$7,774</b>	<b>\$8,216</b>	<b>\$7,439</b>	<b>\$6,956</b>
<b>Liabilities</b>					
Payable for investments purchased	\$17	\$71	\$15	\$10	\$21
Debt	3,441	3,508	4,173	4,238	3,903
Unrealized depreciation on derivative instruments	3	1	-	-	-
Shareholders' distributions payable	100	98	96	95	75
Interest Payable	26	29	23	32	34
Other liabilities <sup>(1)</sup>	59	43	43	36	32
<b>Total Liabilities</b>	<b>\$3,646</b>	<b>\$3,750</b>	<b>\$4,350</b>	<b>\$4,411</b>	<b>\$4,065</b>
<b>Total Net Assets</b>	<b>\$4,098</b>	<b>\$4,024</b>	<b>\$3,866</b>	<b>\$3,028</b>	<b>\$2,891</b>
<b>Net Asset Value per Share<sup>(2)</sup></b>	<b>\$31.51</b>	<b>\$31.42</b>	<b>\$30.54</b>	<b>\$24.36</b>	<b>\$23.37</b>

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				
	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20
<b>Realized gain/loss</b>					
Net realized gain (loss) on investments:					
Non-controlled/unaffiliated investments	(\$51)	(\$17)	(\$31)	(\$92)	(\$48)
Non-controlled/affiliated investments	(8)	29	11	(34)	(5)
Controlled/affiliated investments	-	5	(1)	-	(17)
Net realized gain (loss) on swap contracts	(11)	-	(1)	-	-
Net realized gain (loss) on foreign currency forward contracts	2	2	6	-	-
Net realized gain (loss) on foreign currency	1	2	(1)	(4)	1
<b>Total net realized gain (loss)</b>	<b>(\$67)</b>	<b>\$21</b>	<b>(\$17)</b>	<b>(\$130)</b>	<b>(\$69)</b>
<b>Unrealized gain/loss</b>					
Net change in unrealized appreciation (depreciation) on investments:					
Non-controlled/unaffiliated investments	\$49	(\$73)	(\$51)	(\$367)	(\$8)
Non-controlled/affiliated investments	24	(15)	(7)	(137)	(28)
Controlled/affiliated investments	(12)	12	(26)	(191)	(21)
Net change in unrealized appreciation (depreciation) on swap contracts	10	1	1	-	-
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	(2)	7	(8)	2	-
Net change in unrealized gain (loss) on foreign currency	(2)	3	(19)	22	(6)
<b>Total net unrealized gain (loss)</b>	<b>\$67</b>	<b>(\$65)</b>	<b>(\$110)</b>	<b>(\$671)</b>	<b>(\$63)</b>
<b>Total net realized and unrealized gain (loss)</b>	<b>\$0</b>	<b>(\$44)</b>	<b>(\$127)</b>	<b>(\$801)</b>	<b>(\$132)</b>

# FSKR Operating Results

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20
Total investment income	\$111	\$108	\$121	\$195	\$168
Net expenses	(54)	(49)	(57)	(102)	(93)
<b>Net investment income before taxes</b>	<b>\$57</b>	<b>\$59</b>	<b>\$64</b>	<b>\$93</b>	<b>\$75</b>
Excise taxes	-	-	(1)	-	-
<b>GAAP Net investment income</b>	<b>\$57</b>	<b>\$59</b>	<b>\$63</b>	<b>\$93</b>	<b>\$75</b>
Plus: excise taxes	-	-	1	-	-
Plus: one-time expenses <sup>(1)</sup>	-	-	-	-	7
<b>Adjusted net investment income<sup>(2)</sup></b>	<b>\$57</b>	<b>\$59</b>	<b>\$64</b>	<b>\$93</b>	<b>\$82</b>
Total net unrealized and realized gains (losses)	(15)	(81)	(63)	(801)	(53)
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$42</b>	<b>(\$22)</b>	<b>-</b>	<b>(\$708)</b>	<b>22</b>
<b><u>Per Share:</u><sup>(3)</sup></b>					
Net investment income	\$0.70	\$0.72	\$0.67	\$0.55	\$0.44
Adjusted net investment income <sup>(2)</sup>	\$0.70	\$0.72	\$0.68	\$0.55	\$0.48
Net increase (decrease) in net assets results from operations	\$0.52	(\$0.27)	-	(\$4.17)	\$0.13
Stockholder distributions	\$0.75	\$0.75	\$0.75	\$0.60	\$0.60
Weighted average shares outstanding (millions)	81.1	81.8	94.0	169.6	171.6
Shares outstanding, end of period (millions)	81.6	82.4	169.6	169.6	172.9

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.

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				
	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20
<b>Investment income:</b>					
Interest income	\$101	\$95	\$102	\$151	\$126
Payment-in-kind interest income	4	7	7	14	16
Fee income	6	5	12	15	7
Total dividend and other income	-	1	-	15	19
<b>Total investment income</b>	<b>\$111</b>	<b>\$108</b>	<b>\$121</b>	<b>\$195</b>	<b>\$168</b>
<b>Operating expenses:</b>					
Investment advisory fees & expenses	17	17	20	33	29
Interest expense	25	24	27	40	35
Incentive fees	9	5	5	23	19
Other operating expenses	3	3	5	6	10
<b>Total operating expenses</b>	<b>\$54</b>	<b>\$49</b>	<b>\$57</b>	<b>\$102</b>	<b>\$93</b>
Net investment income before taxes	57	59	64	93	75
Income taxes, including excise taxes	-	-	(1)	-	-
<b>Net investment income</b>	<b>\$57</b>	<b>\$59</b>	<b>\$63</b>	<b>\$93</b>	<b>\$75</b>
Total net unrealized and realized gains (losses)	(15)	(81)	(63)	(801)	(53)
<b>Net increase in net assets resulting from operations</b>	<b>\$42</b>	<b>(\$22)</b>	<b>-</b>	<b>(\$708)</b>	<b>\$22</b>

# FSKR Balance Sheet

(Dollar amounts in millions, except per share data)	As of				
	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20
<b>Assets</b>					
Total investments, at fair value	\$4,041	\$4,255	\$8,591	\$7,464	\$7,281
Cash	291	107	163	225	289
Foreign currency, at fair value	12	3	4	7	6
Receivable for investments sold and repaid	6	12	23	321	13
Income receivable	37	42	84	88	92
Unrealized appreciation on foreign currency forward contracts	-	-	-	1	0
Deferred financing costs	7	7	12	11	13
Prepaid expenses and other assets	15	20	93	67	64
<b>Total Assets</b>	<b>\$4,409</b>	<b>\$4,446</b>	<b>\$8,970</b>	<b>\$8,184</b>	<b>\$7,758</b>
<b>Liabilities</b>					
Payable for investments purchased	\$35	\$54	\$37	\$114	\$42
Debt	1,747	1,827	3,809	3,629	3,382
Unrealized depreciation on derivative instruments	12	14	30	59	59
Shareholders' distributions payable	12	12	-	102	-
Interest Payable	15	14	30	26	27
Other liabilities <sup>(1)</sup>	29	26	68	68	62
<b>Total Liabilities</b>	<b>\$1,850</b>	<b>\$1,947</b>	<b>\$3,974</b>	<b>\$3,998</b>	<b>\$3,572</b>
<b>Total Net Assets</b>	<b>\$2,559</b>	<b>\$2,499</b>	<b>\$4,996</b>	<b>\$4,186</b>	<b>\$4,186</b>
<b>Net Asset Value per Share<sup>(2)</sup></b>	<b>\$31.37</b>	<b>\$30.34</b>	<b>\$29.46</b>	<b>\$24.68</b>	<b>\$24.22</b>

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

	For The Three Months Ended				
	6/30/19	9/30/19	12/31/19	3/31/20	6/30/20
<i>(Dollar amounts in millions, except per share data)</i>					
<b>Realized gain/loss</b>					
Net realized gain (loss) on investments:					
Non-controlled/unaffiliated investments	(\$22)	(\$8)	(\$9)	(\$217)	(\$34)
Non-controlled/affiliated investments	0	0	(3)	0	(109)
Controlled/affiliated investments	-	-	-	-	-
Net realized gain (loss) on swap contracts	-	(0)	(2)	(4)	(3)
Net realized gain (loss) on foreign currency forward contracts	-	-	-	0	-
Net realized gain (loss) on foreign currency	0	1	-	1	-
<b>Total net realized gain (loss)</b>	<b>(\$22)</b>	<b>(\$7)</b>	<b>(\$14)</b>	<b>(\$220)</b>	<b>(\$146)</b>
<b>Unrealized gain/loss</b>					
Net change in unrealized appreciation (depreciation) on investments:					
Non-controlled/unaffiliated investments	\$6	(\$80)	\$72	(\$429)	(\$22)
Non-controlled/affiliated investments	9	5	(114)	(96)	84
Controlled/affiliated investments	-	-	6	(80)	59
Net change in unrealized appreciation (depreciation) on swap contracts	(6)	(2)	5	(27)	(1)
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	-	-	(1)	2	(1)
Net change in unrealized gain (loss) on foreign currency	(1)	3	(17)	49	(26)
<b>Total net unrealized gain (loss)</b>	<b>\$8</b>	<b>(\$74)</b>	<b>(\$49)</b>	<b>(\$581)</b>	<b>\$93</b>
<b>Total net realized and unrealized gain (loss)</b>	<b>(\$14)</b>	<b>(\$81)</b>	<b>(\$63)</b>	<b>(\$801)</b>	<b>(\$53)</b>



# Important Disclosure Notice

---

This presentation may contain certain forward-looking statements, including statements with regard to the future performance of FS KKR Capital Corp. (FSK) and FS KKR Capital Corp. II (FSKR). 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 in FSK’s and/or FSKR’s operations or the economy due generally to terrorism, natural disasters or pandemics, future changes in laws or regulations and conditions in FSK’s and FSKR’s operating area, and the price at which shares of common stock may trade on the New York Stock Exchange LLC (NYSE). Certain of these factors are enumerated in the filings FSK and FSKR make with the Securities and Exchange Commission (SEC). Each of FSK and FSKR undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This presentation contains summaries of certain financial and statistical information about FSK and FSKR. The information contained in this presentation is summary information that is intended to be considered in the context of FSK’s and FSKR’s SEC filings and other public announcements that FSK and/or FSKR may make, by press release or otherwise, from time to time. Each of FSK and FSKR undertakes no duty or obligation to update or revise the information contained in this presentation. In addition, information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured. Investors should not view the past performance of FSK or FSKR, or information about the market, as indicative of FSK’s and/or FSKR’s future results.

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.