

FSK | FS KKR Capital Corp.

FS KKR Capital Corp.

(NYSE: FSK)

Debt Investor Presentation

August 2023

All information is as of June 30, 2023 unless otherwise noted



FS KKR ADVISOR & MARKET OVERVIEW

FSK | FS KKR Capital Corp.

FS/KKR Advisor: Overview

FS | KKR

Size & Scale

- ~\$15.5 billion publicly traded BDC within \$200 billion KKR Credit platform
- ~1,800 issuers across KKR Credit network
- FSK has direct involvement of over 250 professionals
- Ability to commit in size

Focus

- Investment structures:
 - Senior secured
 - Asset Based Finance
 - Junior capital
- Upper middle market:
 - \$50-\$150 million+ EBITDA
- Market leading businesses:
 - Pricing power
 - Defensive industries
- Preservation of capital:
 - Rigorous portfolio monitoring
 - Internal workout capabilities

Global Market Reach

- Financial sponsor relationships across multiple countries
- Dedicated non-sponsor sourcing effort leveraging all of the KKR network
- Deep industry experience across KKR Credit platform
- ~100 investment professionals

FSK: A Leading BDC

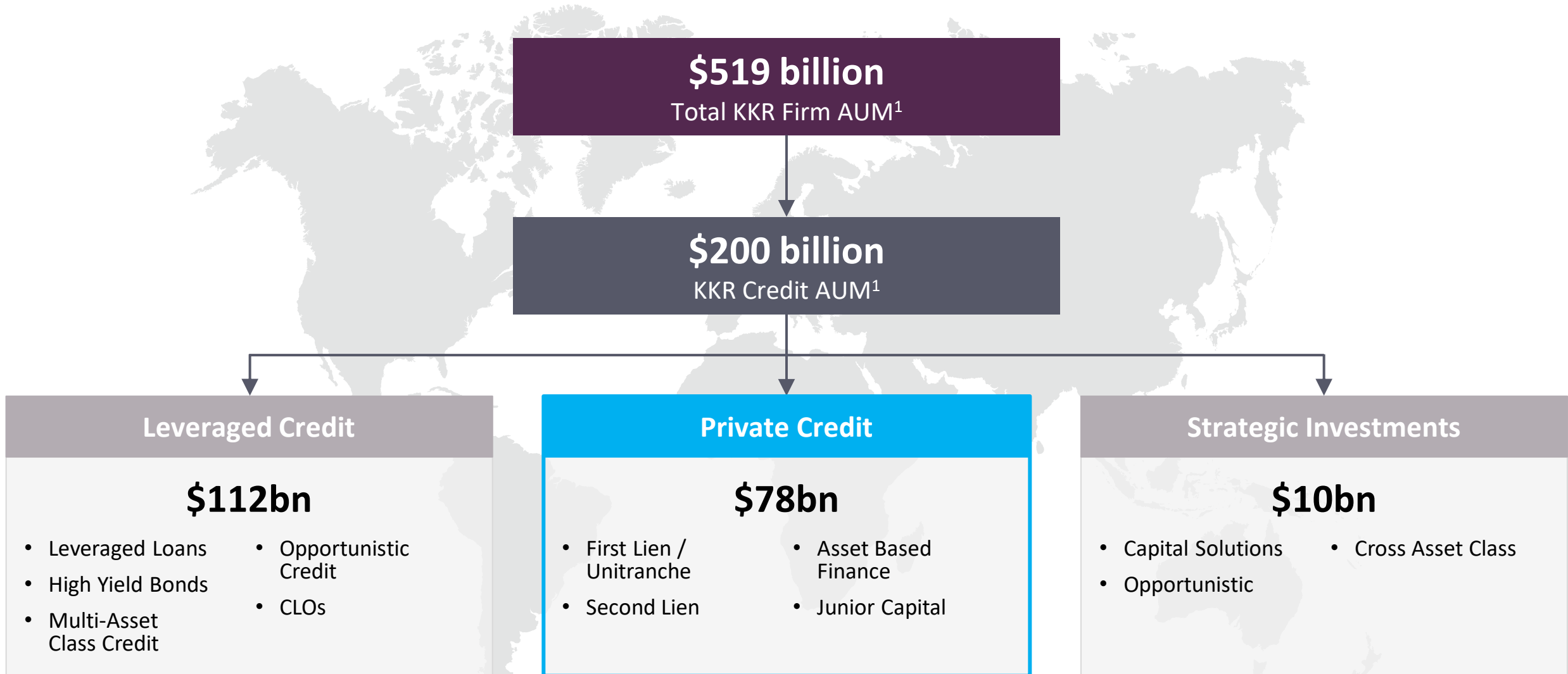
Total Assets Under Management Ranked by Publicly Traded BDC Advisor/Manager (\$bn)



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

1. PSEC as of March 31, 2023.

KKR Credit: Overview



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

KKR Private Credit: Overview

\$78 billion
Private Credit AUM

20+

Investment Committee
Average Years of Experience

~100

Investment Professionals

Direct Lending

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

Junior Capital

- Directly originated and privately negotiated subordinated debt and preferred stock financings

Asset Based Finance

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

Broad Private Credit platform where size and scale matter

Control lender status across
~86% of investments¹

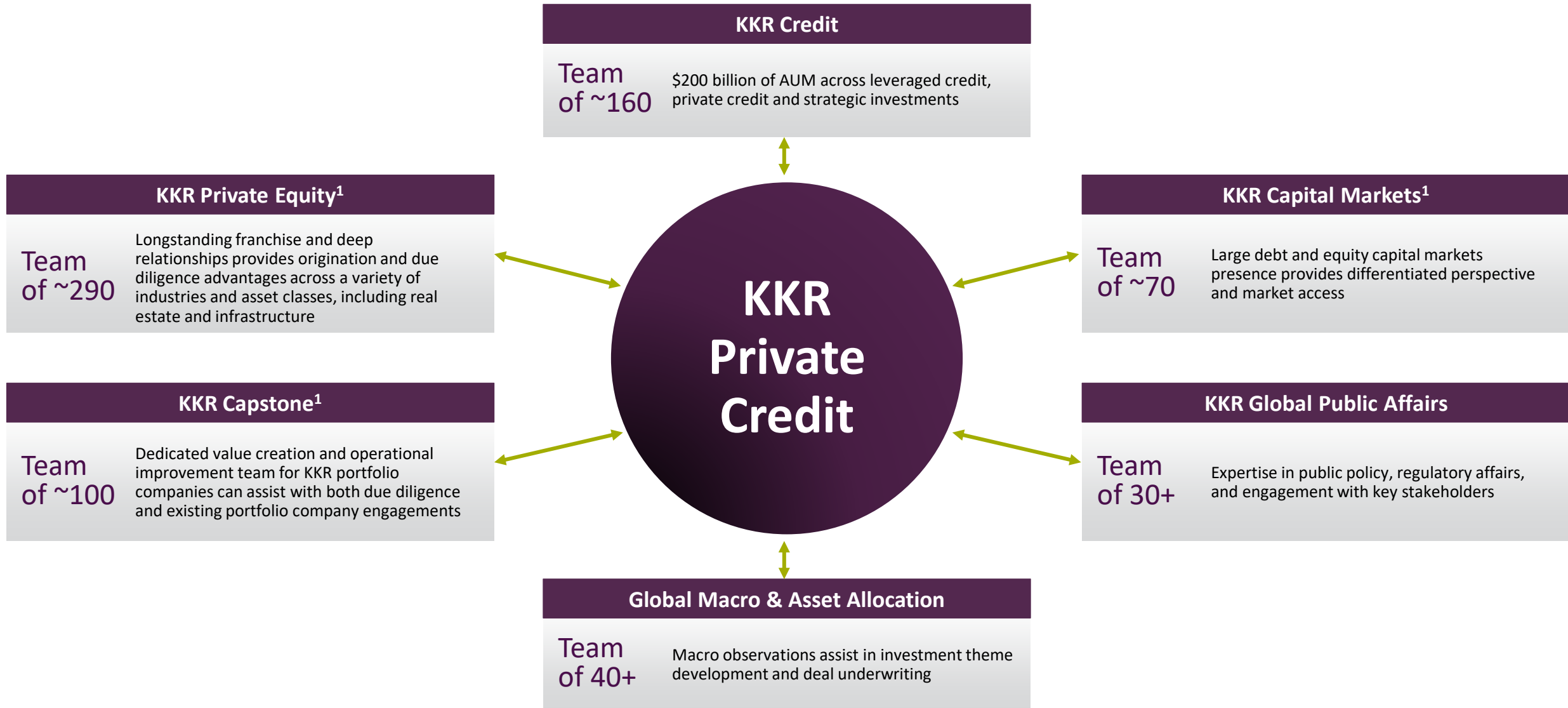
Integrated global resources and access
to KKR Credit 'library' of ~1,800 issuers

Strong alignment of interest with
~\$1.2 billion of KKR capital committed
to private credit strategies²

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

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

KKR Private Credit: Leverages the Broader KKR Firm



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

KKR Private Credit: Key Attributes

Disciplined Investment Philosophy & Process

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

Differentiated Origination Capabilities

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

Proven Track Record & Consistent Portfolio Construction

- Over the past 15+ years, KKR Credit has:
 - Deployed over ~\$78bn in private credit transactions
 - Invested over cycles and in different market conditions
 - Grown the size of investments / borrowers as platform has scaled

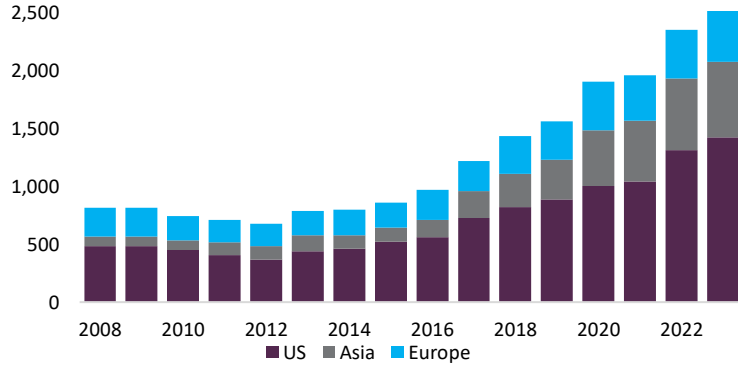
Risk Management Culture

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

Private Credit Continues to Benefit From Favorable Tailwinds

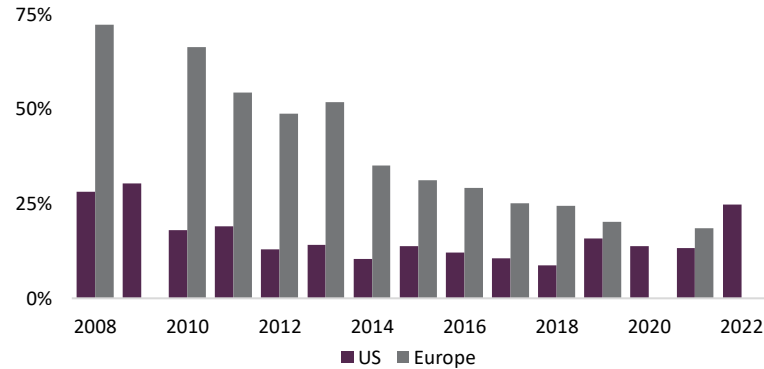
Rise in Private Equity Dry Powder Creates Strong Demand for Private Credit

Private Equity Dry Powder¹



Banks Share of Lending Has Declined Materially

Banks Share of Total Primary Market Issuance²



Continued Shift Away From Banks

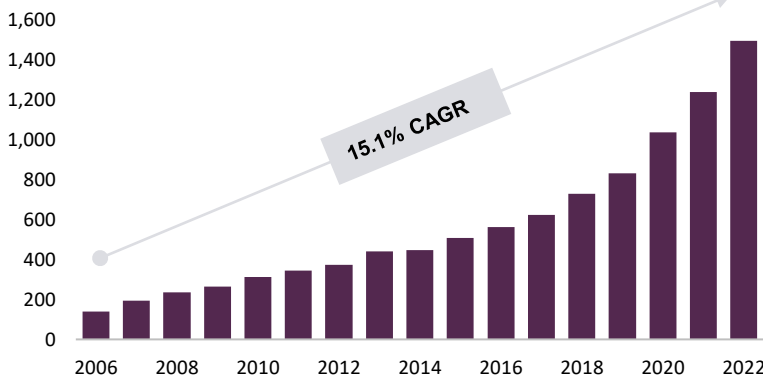
“ Regional Bank Issues Create Opening for Private Credit | Bloomberg August 2023

“ Private Credit Firms See Opportunity as Banks Tighten Lending | Reuters May 2023

“ Credit Deals are Going Private, Leaving Wall Street in the Cold | WSJ December 2022

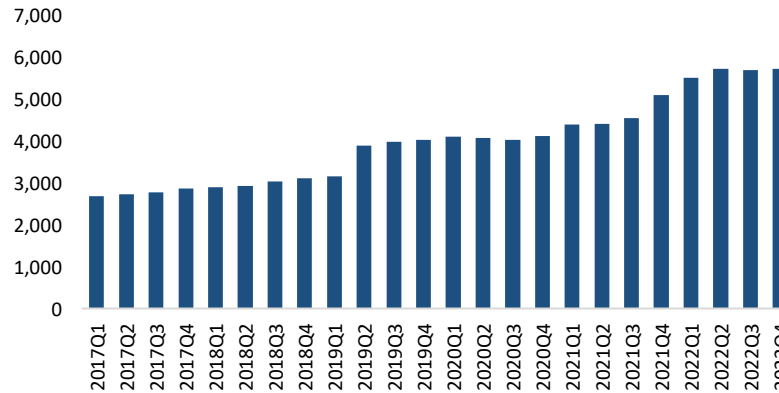
Private Credit Is Growing Rapidly...

Private Credit AUM (\$bn)³



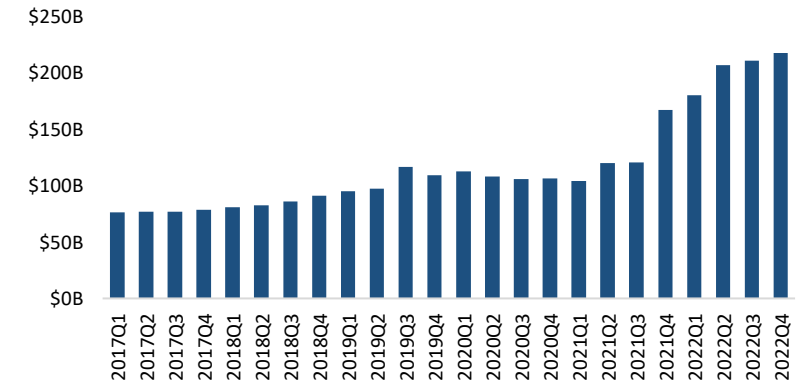
As Is the BDC Industry in Terms of Issuers...

Total Number of Issuers (Debt Only) – BDCs⁴



As Well As the Quantum and Size of Financings...

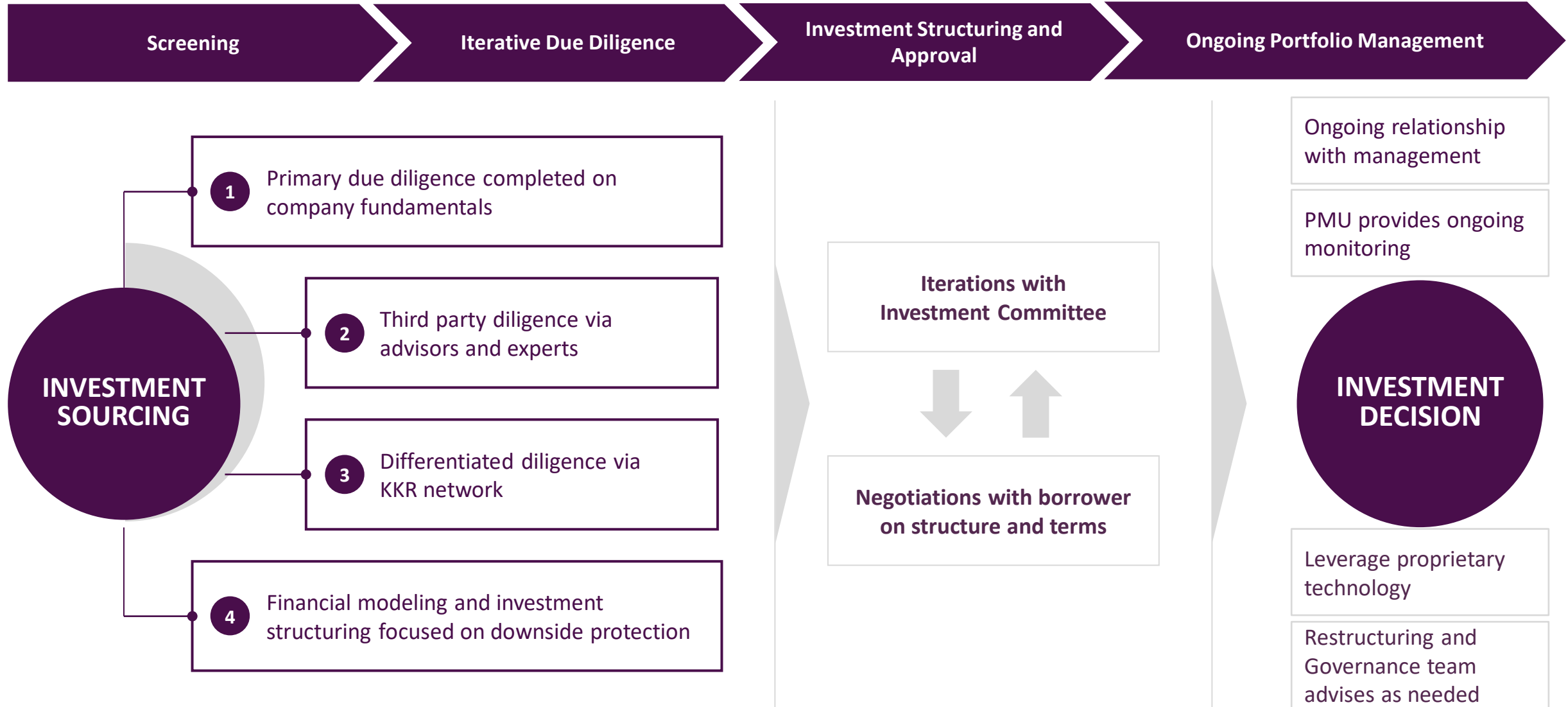
Total Par Amount – BDCs⁴



1. Prequin as of August 14, 2023.
 2. Pitchbook LCD as of March 31, 2023. Due to a significant decline in loan issuance in the last 12 months, LCD did not track enough observations to compile meaningful averages for investor analysis for the period ending March 31, 2023. Given the lack of European primary issuance, LCD did not track enough observations to compile a meaningful sample for 2009, 2020, and 2022. As a result, the primary market investor charts for Europe are not updated for 2009, 2020, 2022, and YTD 2023.
 3. Prequin as of December 31, 2022.
 4. Leveraged Commentary & Data (“LCD”) as of December 31, 2022.

KKR Private Credit: Investment Process

KKR's deep origination network generates significant investment opportunities



Benefits of the Upper Middle Market

Our Direct Lending strategy primarily targets the upper end of the middle market, which we believe to be more defensive and more resilient through various market cycles

Financial Sponsor Backing

- Sponsors provide professional management, oversight, and alignment
- Lenders maintain a direct relationship with sponsors
- Sponsors operate with a committed pool of capital that they can use for workout initiatives or to address liquidity needs

Industry Leading Borrowers

- More established companies with diversified customer and supplier bases, multiple revenue streams, and various paths for organic and inorganic growth
- Greater pricing power, which is especially critical during periods of rising inflation

Experienced Management Teams

- Management teams tend to be more experienced and can navigate effectively through changing market cycles and downturns

Stronger Credit Profiles

- According to LCD, from 1995 to Q2 2022, companies with EBITDA of \$50-\$99mm have a **9% lower rate of default** than companies with EBITDA of \$0-\$49mm¹
- According to LCD, from 1995 to Q2 2022, companies with EBITDA of \$100mm or greater have a **33% lower rate of default** than companies with EBITDA of \$0-\$49mm¹

“A larger-scale business is usually associated with a stronger market position, a better ability to weather financial downturn, more established operations, and a more stable outlook.”

- Moody's Analytics

“We can easily find empirical evidence showing small companies have a higher default risk”

- S&P Global

“We see a significant decrease in default rates for companies with total assets above \$100 million”

- Moody's Analytics

1. LCD Default Review Q2 2023. Comprises loans closed between 1995 and Q2 2022.

Private Credit: KKR Platform Benefits

1. Leverage Global KKR Network

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

2. Private Credit Platform with Differentiated Size and Scale

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

3. Institutionalized and Seasoned Team

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

4. Broad Origination Network of Repeat Relationships

On average ~65% of our originations come from existing portfolio companies within KKR's network

5. Rigorous "PE-Style" Investment Diligence Process

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



FSK CAPITAL STRUCTURE

FSK | FS KKR Capital Corp.

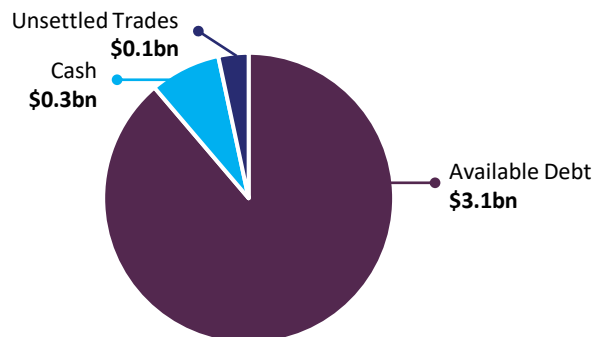
Capital Structure: Key Principles

Conservatively Structured

- 58% of drawn leverage is unsecured
- 78% of drawn leverage is not subject to MTM tests
- Target leverage set at 1.00-1.25x
 - Provides cushion to regulatory leverage cap
 - Provides flexibility to be both defensive and aggressive during times of dislocation

Significant Liquidity

6/30/2023 Liquidity: \$3.5bn



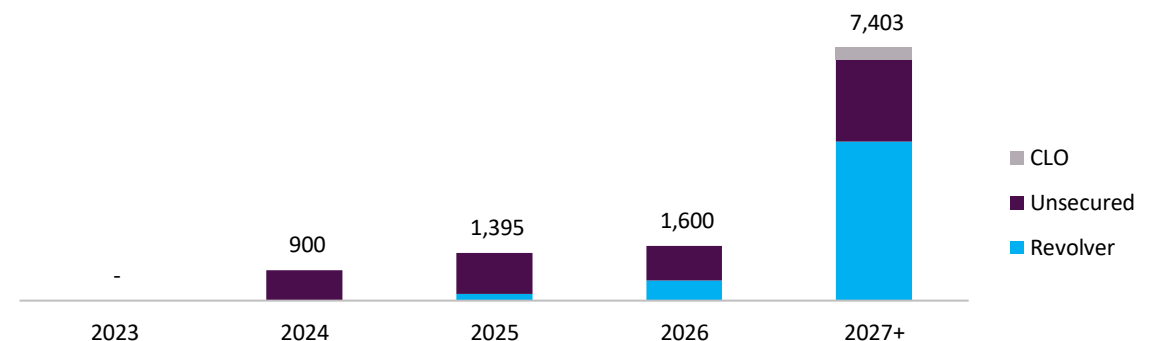
Maintaining Our Investment Grade Rating

Enhances access to capital market solutions

	Rating	Outlook
	Baa3	Stable
	BBB-	Stable
	BBB	Stable

Long Term Maturity Ladder

100% of our liabilities mature 2024 and beyond



Capital Structure: Overview

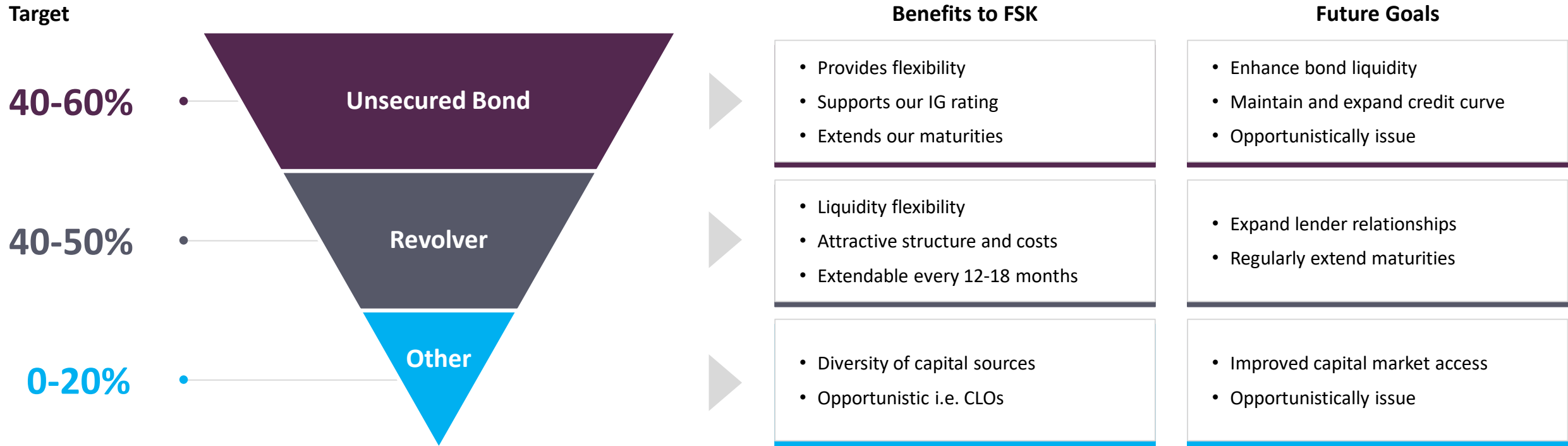
Funding Source	6/30/23 \$ Committed	6/30/23 \$ Outstanding	6/30/23 \$ Undrawn	Maturity Date	Wtd. Average Rate	Committed	Outstanding
Senior Secured Revolver	4,655	1,806	2,832 ¹	5/17/27	SOFR+1.75% - 1.875%	41.2%	22.1%
MS Revolver	300	238	62	11/22/26	SOFR+2.70%	2.7%	2.9%
DB Revolver	750	668	82	2/26/27	SOFR+2.65%	6.6%	8.2%
Ally Revolver	200	136	64	11/22/25	SOFR+2.15%	1.8%	1.7%
SMBC Revolver	300	249	51	6/2/26	SOFR+1.90% - 2.05%	2.7%	3.0%
Total Secured	6,205	3,097	3,091			55.0%	37.9%
FS KKR MM CLO 1	348	348	-	1/15/31	SOFR+1.85% - 3.01%	3.1%	4.2%
Total CLO	348	348	-			3.1%	4.2%
4.625% Notes	400	400	-	7/15/24	4.63%	3.5%	4.9%
1.650% Notes	500	500	-	10/12/24	1.65%	4.4%	6.1%
4.125% Notes	470	470	-	2/1/25	4.13%	4.2%	5.7%
4.250% Notes	475	475	-	2/14/25	4.25%	4.2%	5.8%
8.625% Notes	250	250	-	5/15/25	8.63%	2.2%	3.0%
3.400% Notes	1,000	1,000	-	1/15/26	3.40%	8.9%	12.2%
2.625% Notes	400	400	-	1/15/27	2.63%	3.5%	4.9%
3.250% Notes	500	500	-	7/15/27	3.25%	4.4%	6.1%
3.125% Notes	750	750	-	10/12/28	3.13%	6.6%	9.2%
Total Unsecured	4,745	4,745	-			41.9%	57.9%
TOTAL	11,298	8,190	3,091		5.21%²	100.0%	100.0%

1. The amount available for borrowing under the Senior Secured Revolving Credit Facility is reduced by any standby letters of credit issued under the Senior Secured Revolving Credit Facility. As of June 30, 2023, \$17mm of such letters of credit have been issued.

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

Capital Structure: Looking Forward

Well positioned with no short-term needs, which allows us to be opportunistic and focus on our long-term goals



Maintaining and enhancing our investment grade ratings will continue to be a major focus going forward



FSK PORTFOLIO OVERVIEW

FSK | FS KKR Capital Corp.

FSK Investment Portfolio Overview

195

portfolio companies⁽¹⁾

19%

FV in top-10 portfolio companies⁽²⁾

68%

of investments in senior secured debt⁽²⁾

\$115mm / 6.0x

median portfolio company EBITDA & leverage⁽³⁾

89%

of debt investments are floating rate⁽⁴⁾

12.1%

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

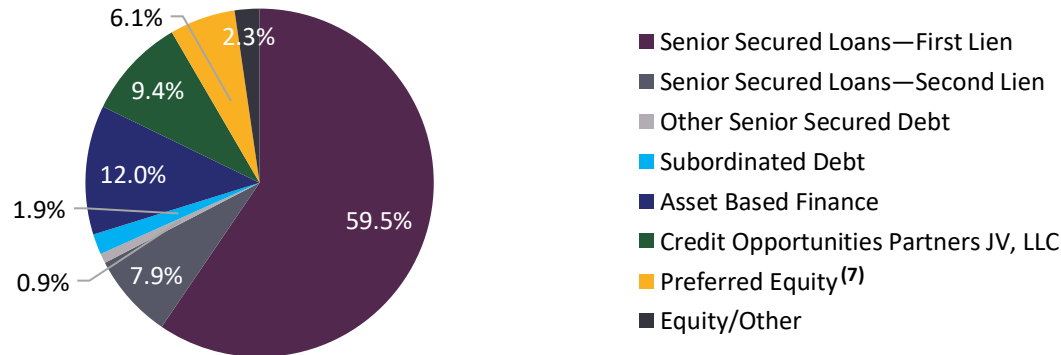
2.5%

non-accrual rate at FV

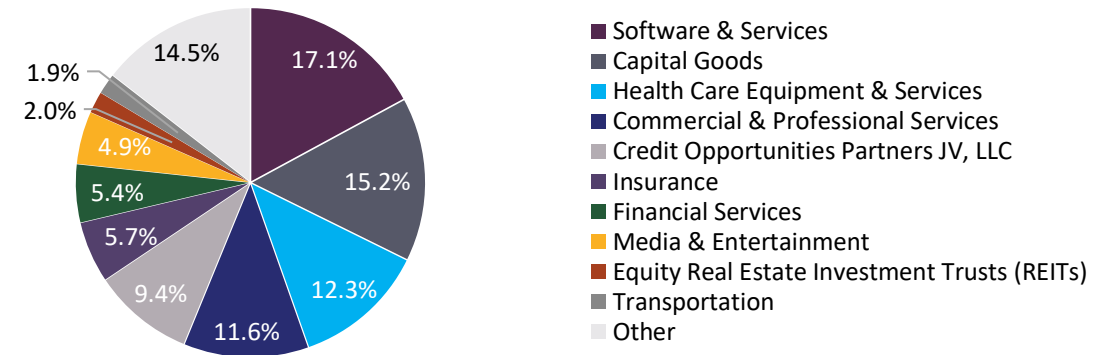
~75%

lead, co-lead, or sole origination⁽⁶⁾

Security Exposure (by fair value)



Sector Exposure (by fair value)



Total Investment Portfolio at Fair Value: \$14.8bn

- Does not look through to FSK's portfolio companies held solely in COPJV.
- Figure excludes the impact of FSK's investment in COPJV.
- Based on underlying Direct Origination corporate investments using most recently reported financial information and may include pro forma adjustments. Certain Asset Based Finance, Equity/Other and portfolio companies with negative or de minimis EBITDA are excluded.
- See FSK's Quarterly Report on Form 10-Q for its definition of debt investments.
- Excludes the impact of the Merger. See FSK's Quarterly Report on Form 10-Q for additional information on the calculation of weighted average annual yield on accruing debt investments. On a GAAP basis, FSK's weighted average annual yield on accruing debt investments was 12.7% as of June 30, 2023.
- Figure based on fair value of Direct Origination investments only. KKR & BDC accounts' participation, KKR Capital Markets' involvement, and deal teams leading the negotiations/structuring are all considered when determining the Origination Role.
- Included within Equity/Other in FSK's Quarterly and Annual Reports on Form 10-Q and 10-K, respectively.



COPJV OVERVIEW & CAPITAL STRUCTURE

FSK | FS KKR Capital Corp.

Credit Opportunities Partners JV, LLC Overview

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

Key Portfolio Benefits

- Facilitates greater ability to maximize KKR's investment funnel
- Senior secured and asset based finance focus

Key Statistics

- Scaled investment vehicle with total AUM of \$3.6bn
- Uncalled growth equity totaling \$640mm (\$560mm allocated to FSK)

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

Key Attributes

67.8%

Senior Secured First Lien Loans

14.1%

Average yield on FSK's investment¹

11.6%

Weighted average annual yield on accruing debt investments²

118

Number of portfolio companies

~\$220mm

Per year of run rate dividend to FSK

91.2%

Floating rate debt investments³

1.09x

Net debt-to-equity ratio⁴

21

Industries

1. Average LTM yield on FSK's investment in COPJV based on cost.

2. See FSK's Quarterly Report on Form 10-Q for additional information on the calculation of weighted average annual yield on accruing debt investments.

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

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

Capital Structure: Overview

Key Highlights

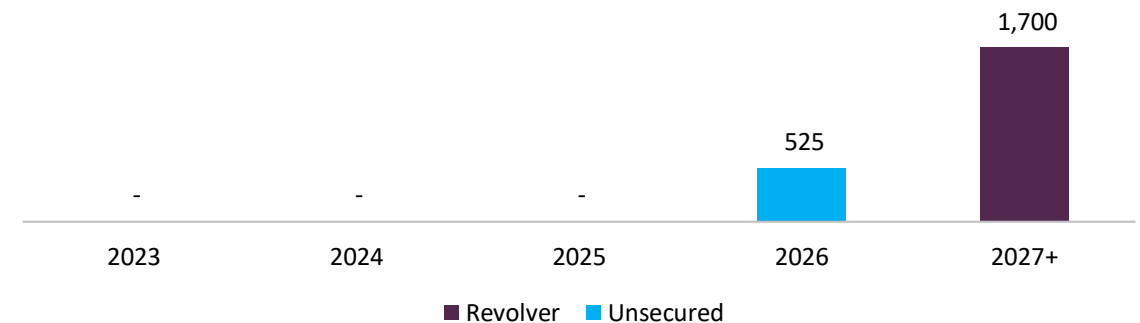
- 1.09x Net Debt-to-Equity as of June 30, 2023, compared to 1.22x as of March 31, 2023¹
- 6.38% weighted average effective rate on borrowings as of June 30, 2023, compared to 5.91% as of March 31, 2023²
- 28% of drawn leverage and 24% of committed leverage is unsecured as of June 30, 2023
- Weighted average maturity of 3.7 years as of June 30, 2023
- \$640 million of uncalled capital at the joint venture
- Rated BBB Stable by Kroll

Capital Structure Overview

Funding Source	Committed	Outstanding	Undrawn	Maturity	Wtd. Avg. Rate
Goldman Sachs Revolver	400	300	100	1/30/2027	L+2.25%
BNP Revolver	600	509	91	4/11/2027	S+2.85%
Morgan Stanley Revolver	300	244	56	7/14/2027	S+2.20%
Citibank Revolver	400	310	90	9/18/2027	S+2.45%
Total Secured	1,700	1,363	337		
4.250% Notes	300	300	-	4/1/2026	4.250%
3.620% Notes	225	225	-	8/17/2026	3.620%
Total Unsecured	525	525	-		
TOTAL	2,225	1,888	337		6.38%²

Long Term Maturity Ladder

100% of our liabilities mature 2026 and beyond



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

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



APPENDIX: FSK OVERVIEW & RECENT RESULTS

Financial Results

<i>(Dollar amounts in millions, except per share data)</i>	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23
NII per share	\$0.71	\$0.76	\$0.80	\$0.81	\$0.82
Adjusted NII per share ⁽¹⁾	\$0.67	\$0.73	\$0.81	\$0.78	\$0.78
Net realized and unrealized gains (losses) per share	(\$0.96)	(\$1.21)	(\$0.56)	(\$0.11)	(\$0.31)
Adjusted net realized and unrealized gains (losses) per share	(\$0.92)	(\$1.17)	(\$0.52)	(\$0.07)	(\$0.27)
Net increase (decrease) in net assets resulting from operations (earnings per share)	(\$0.26)	(\$0.45)	\$0.24	\$0.71	\$0.51
Stockholder distributions declared per share	\$0.67	\$0.68	\$0.70	\$0.70	\$0.70
Special distributions declared per share ⁽²⁾	-	-	-	\$0.05	\$0.05
Net asset value per share at period end	\$26.41	\$25.30	\$24.89	\$24.93	\$24.69
Weighted average shares outstanding (in millions)	283.9	283.2	282.7	280.9	280.1
Shares outstanding, end of period (in millions)	283.5	283.0	281.7	280.1	280.1
Total investments at fair value	\$16,178	\$15,792	\$15,377	\$15,277	\$14,764
Total assets	\$17,189	\$16,716	\$16,124	\$16,058	\$15,488
Cash ⁽³⁾	\$269	\$266	\$251	\$250	\$274
Total debt ⁽⁴⁾	\$9,347	\$9,176	\$8,731	\$8,713	\$8,190
Debt-to-equity, Net ⁽⁵⁾	1.15x	1.19x	1.18x	1.18x	1.13x
Adjusted NII / stockholder distributions declared	100%	107%	116%	111%	111%

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

2. Consists of three payments of \$0.05 per share during Q2 2023, Q3 2023, and Q4 2023.

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

4. Principal amount outstanding.

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

Portfolio Highlights

<i>(Dollar amounts in millions)</i>	As of and for Three Months Ended				
	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23
Investment at Fair Value:					
First Lien Senior Secured Loans	61.9%	61.9%	60.3%	61.0%	59.5%
Second Lien Senior Secured Loans	8.0%	7.9%	7.8%	7.7%	7.9%
Other Senior Secured Debt	0.7%	0.7%	0.7%	0.7%	0.9%
Subordinated Debt	0.5%	1.6%	1.7%	1.8%	1.9%
Asset Based Finance	13.1%	11.6%	12.4%	11.7%	12.0%
Credit Opportunities Partners JV, LLC	9.3%	9.3%	9.3%	9.1%	9.4%
Preferred Equity ⁽¹⁾	3.9%	4.7%	5.3%	5.7%	6.1%
Equity/Other	2.6%	2.3%	2.5%	2.3%	2.3%
Total Investments	\$16,178	\$15,792	\$15,377	\$15,277	\$14,764
Number of portfolio companies ⁽²⁾	192	195	197	189	195
Interest Rate Type:⁽³⁾					
% Floating Rate	87.4%	89.1%	89.0%	89.4%	88.6%
% Fixed Rate	12.6%	10.9%	11.0%	10.6%	11.4%
Net Interest Margin:					
Weighted average annual yield on accruing debt investments ⁽⁴⁾	9.2%	10.4%	11.4%	11.7%	12.1%
Weighted average effective interest rate on borrowings ⁽⁵⁾	3.5%	4.2%	4.8%	5.1%	5.2%

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

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

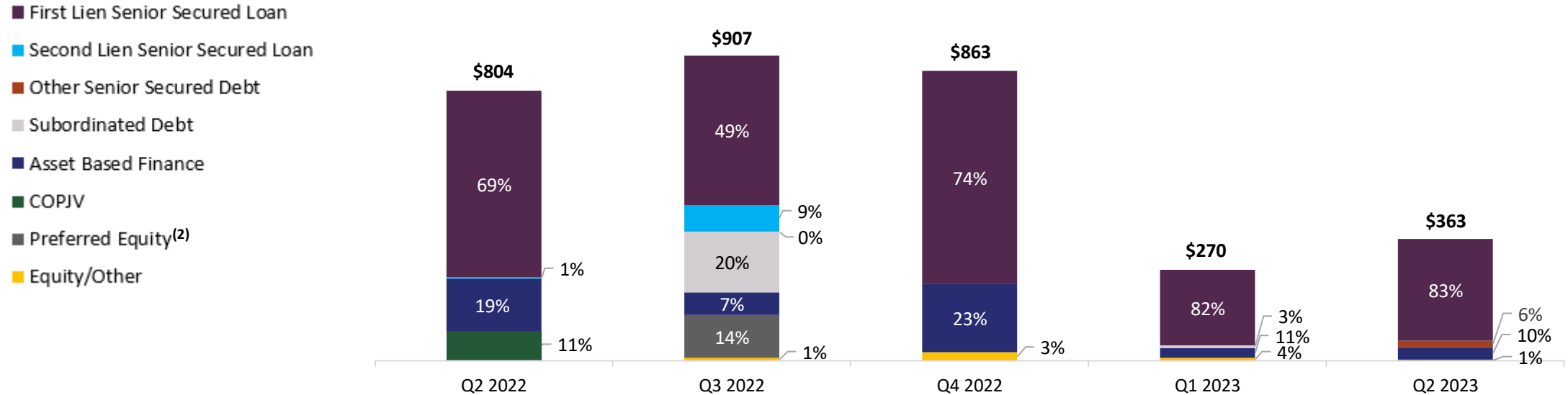
3. Represents interest rates on debt investments (see FSK's Quarterly Report on Form 10-Q for the definition of debt investments) at US\$ fair value. Floating Rate includes variable interest rates on Asset Based Finance investments that can change quarter to quarter.

4. Excludes the impact of the Merger in Q2 2021. On June 16, 2021, FS KKR Capital Corp. ("FSK") completed its merger (the "Merger") with FS KKR Capital Corp. II. Pursuant to the Merger, FS KKR Capital Corp. II merged with and into FSK, with FSK continuing as the surviving company. Excluding the impact of the Merger, FSK's weighted average annual yield on all debt investments was 11.3% as of June 30, 2023. See FSK's Quarterly Report on Form 10-Q for additional information on the calculation of weighted average annual yield on accruing debt investments and weighted average annual yield on all debt investments. On a GAAP basis, FSK's weighted average annual yield was 12.7% on accruing debt investments and 11.8% on all debt investments as of June 30, 2023.

5. Includes the effect of non-usage fees.

Quarterly Investment Activity

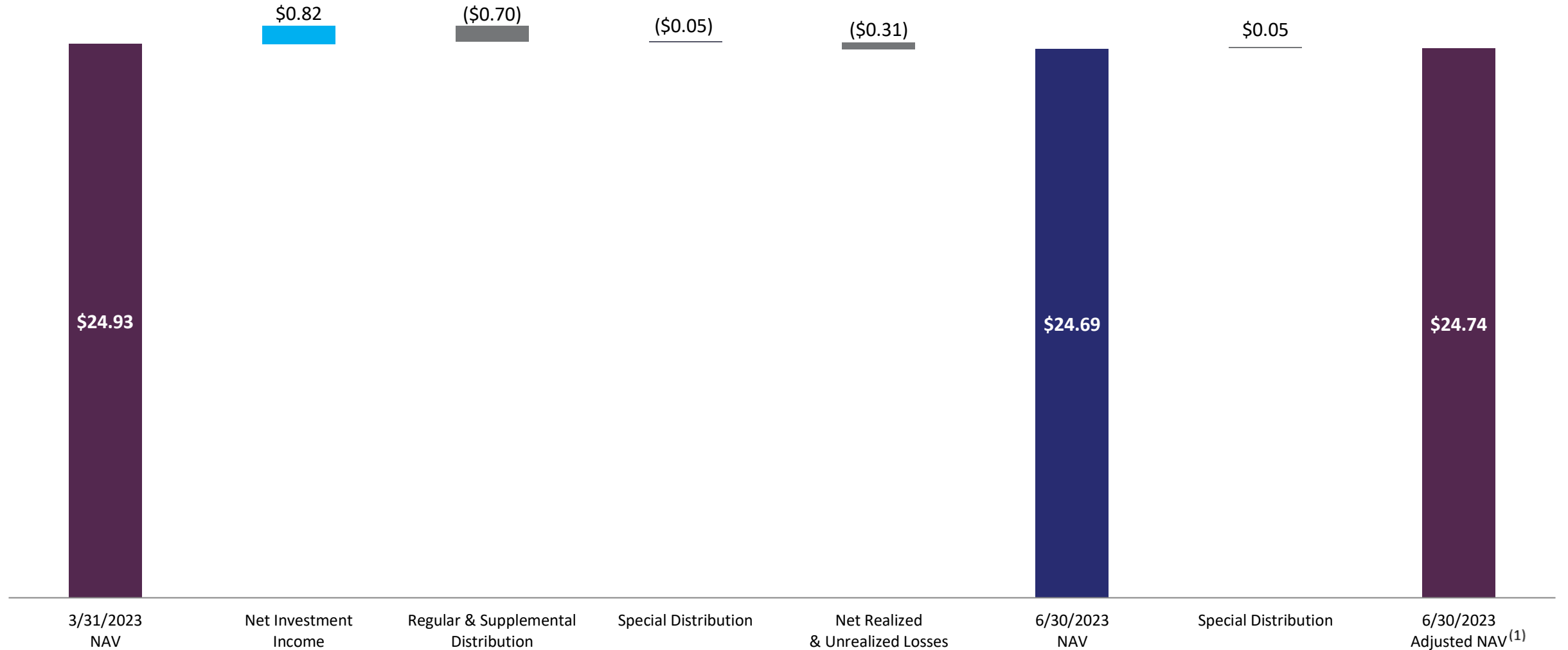
Asset Mix of New Purchases⁽¹⁾



Portfolio Roll (\$ in millions)	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23
Investment Purchases	\$804	\$907	\$863	\$270	\$363
Sales and Redemptions ⁽³⁾	(906)	(951)	(1,211)	(386)	(845)
Net Investment Activity	(\$102)	(\$44)	(\$348)	(\$116)	(\$482)
Net Sales to COPJV	87	300	127	122	-
Adjusted Net Investment Activity	(\$15)	\$256	(\$221)	\$6	(\$482)

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

Net Asset Value Bridge



1. Adjusted NAV reflects Q2 2023 NAV per share adjusted for the special distribution of \$0.05 per share declared on May 5, 2023 and paid on May 31, 2023.

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

Credit Opportunities Partners JV, LLC Overview

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

- > **Primarily senior secured assets**

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

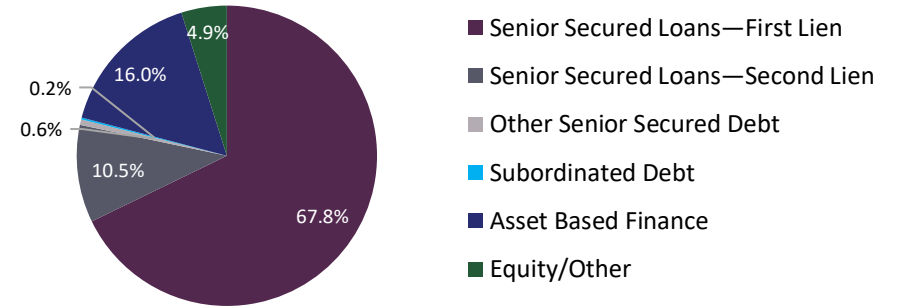
- > **Key Terms of the Partnership**
 - FSK and SCRS share voting control 50% / 50%
 - Equity ownership 87.5% FSK / 12.5% SCRS
 - FSK provides day-to-day administrative oversight

June 30, 2023 update

- > **Portfolio**
 - Fair value of investments was \$3.3bn
 - 91% floating rate debt investments

- > **Key stats**
 - NAV of \$1.6bn (FSK's equity of COPJV was \$1.4bn)
 - \$640mm of uncalled equity capital (\$560mm allocated to FSK)
 - 1.09x net debt-to-equity ratio⁽¹⁾

Security Exposure (by fair value)

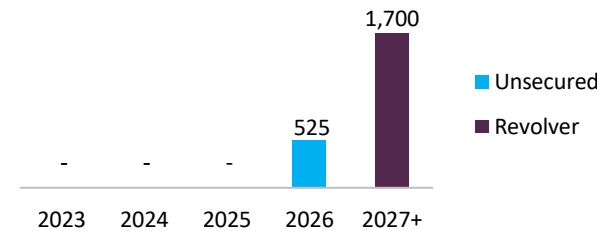


Sector Exposure (by fair value)



Capital Structure

Long Term Maturity Ladder



Total debt: committed \$2.2bn, funded \$1.9bn

Unsecured debt: 24% committed, 28% drawn

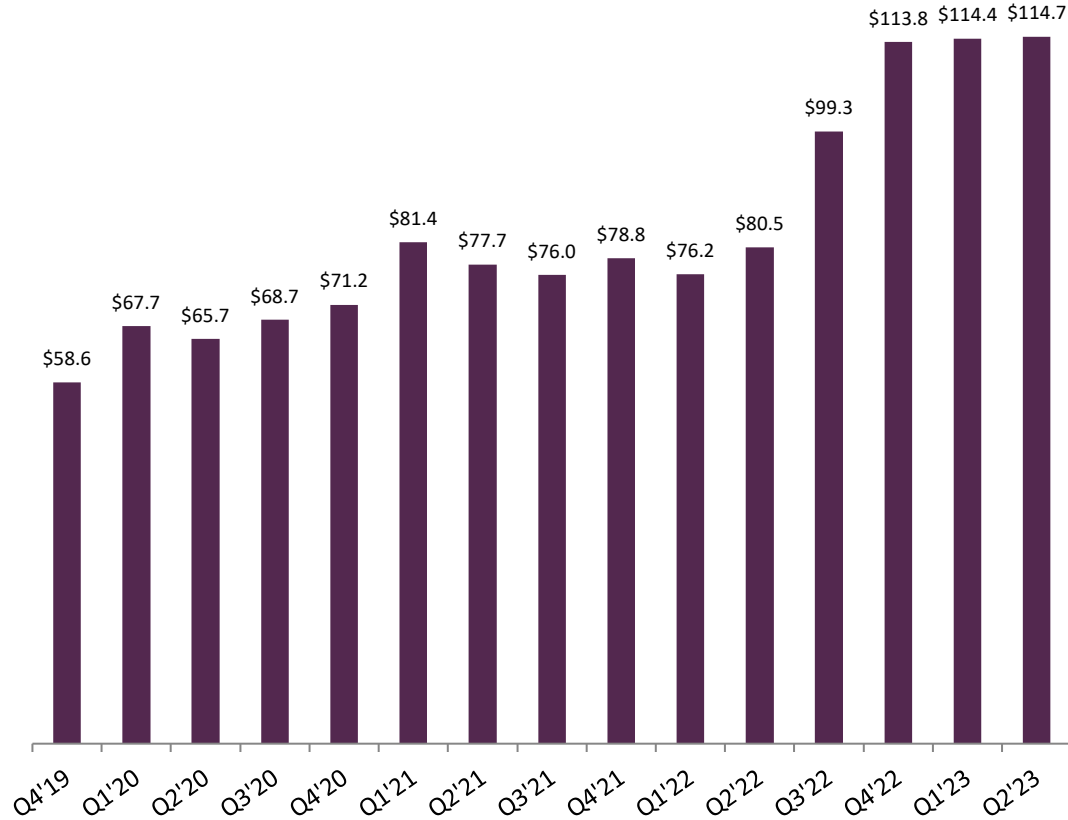
Wtd. average interest rate on borrowings: 6.38%⁽²⁾

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

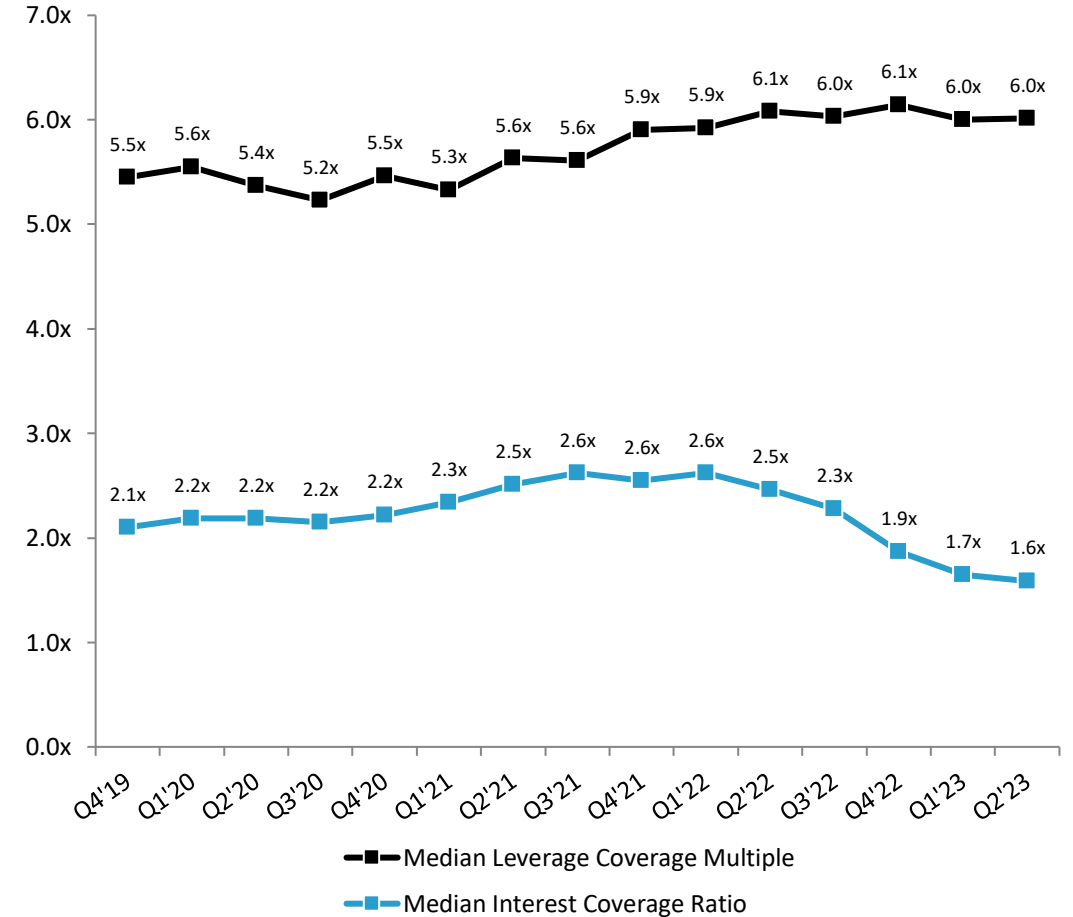
2. Includes the effect of non-usage fees.

Direct Origination Investments EBITDA and Credit Statistics

Direct Origination Portfolio Company Median EBITDA



Direct Origination Portfolio Company Coverage Ratios



Note: Based on underlying Direct Origination corporate investments using most recently reported financial information and may include pro forma adjustments. Prior periods are shown pro forma for the Merger. Certain Asset Based Finance, Equity/Other and portfolio companies with negative or de minimis EBITDA are excluded. The weighted average Direct Origination portfolio company EBITDA was \$202.1 million as of June 30, 2023.

Asset Based Finance Strategy Focus

- ✓ Privately originated and negotiated investments
- ✓ Seeking illiquidity and structuring premiums (return/income) versus liquid credit assets
- ✓ Focus on thematic investing in underserved, hard-to-access, and mispriced assets
- ✓ Multi-asset class approach to identify the best relative value across four key segments

Consumer/Mortgage Finance



Auto Lending



Consumer Loans



Mortgage Related

Contractual Cash Flows



Life Settlements



Risk Transfer Transactions



Royalties

Hard Assets



Aircraft Leasing



Single Family Rental

Small-Medium Enterprise (SME)



Receivables Financing



Equipment Leases

KKR Private Credit: ESG Approach

Dedicated Team with Deep Expertise

1

Investment team partners with Global KKR ESG Team Members

Proprietary ESG Scoring

2

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

Investment Process

3

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

Ongoing Monitoring

4

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

Integration

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

Framework

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

Partnership

History of partnering with extensive network of leading non-governmental organizations and other thought leaders

Operating Results

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23
Total investment income	\$379	\$411	\$449	\$456	\$462
Net expenses	(176)	(194)	(205)	(227)	(233)
Net investment income before taxes	\$203	\$217	\$244	\$229	\$229
Excise taxes	-	(1)	(18)	-	-
Net investment income	\$203	\$216	\$226	\$229	\$229
Plus: excise taxes (net of incentive fee impact)	-	1	14	-	-
Plus: net merger accretion and one-time expenses ⁽¹⁾	(13)	(12)	(11)	(10)	(10)
Adjusted net investment income⁽²⁾	\$190	\$205	\$229	\$219	\$219
Total net unrealized and realized gains (losses)	(273)	(343)	(157)	(\$30)	(\$87)
Provision for taxes on realized gains on investments	(3)	-	(2)	-	-
Net increase (decrease) in net assets resulting from operations	(\$73)	(\$127)	\$67	\$199	\$142
Per Share:					
Net investment income	\$0.71	\$0.76	\$0.80	\$0.81	\$0.82
Adjusted net investment income ⁽²⁾	\$0.67	\$0.73	\$0.81	\$0.78	\$0.78
Net increase (decrease) in net assets results from operations	(\$0.26)	(\$0.45)	\$0.24	\$0.71	\$0.51
Stockholder distributions	\$0.68	\$0.67	\$0.68	\$0.70	\$0.75
Weighted average shares outstanding (millions)	283.9	283.2	282.7	280.9	280.1
Shares outstanding, end of period (millions)	283.5	283.0	281.7	280.1	280.1

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

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

Operating Results Detail

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23
Investment income:					
Interest income	\$247	\$279	\$319	\$327	\$320
Payment-in-kind interest income	40	39	41	42	56
Fee income	13	26	12	5	6
Total dividend and other income	79	67	77	82	80
Total investment income	\$379	\$411	\$449	\$456	\$462
Operating expenses:					
Investment advisory fees & expenses	63	61	59	58	56
Interest expense	83	96	109	114	118
Incentive fees ⁽¹⁾	22	25	27	46	47
Other operating expenses	8	12	10	9	12
Total operating expenses	\$176	\$194	\$205	\$227	\$233
Net investment income before taxes	\$203	\$217	\$244	\$229	\$229
Income taxes, including excise taxes	-	(1)	(18)	-	-
Net investment income	\$203	\$216	\$226	\$229	\$229
Total net unrealized and realized gains (losses)	(273)	(343)	(157)	(30)	(87)
Provision for taxes on realized gains on investments	(3)	-	(2)	-	-
Net increase in net assets resulting from operations	(\$73)	(\$127)	\$67	\$199	\$142

1. Net of the \$15 million incentive fee waiver beginning in Q3 2021 through Q4 2022. The Advisor agreed to waive income incentive fees in the amount of \$15 million per quarter for the first six full fiscal quarters of operations following the closing of the Merger.

Balance Sheet

(Dollar amounts in millions, except per share data)	As of				
	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23
Assets					
Total investments, at fair value	\$16,178	\$15,792	\$15,377	\$15,277	\$14,764
Cash	232	264	248	245	225
Foreign currency, at fair value	37	2	3	5	49
Receivable for investments sold and repaid	498	425	212	205	117
Income receivable	190	165	227	275	275
Unrealized appreciation on foreign currency forward contracts	24	39	25	21	22
Deferred financing costs	24	22	23	23	26
Prepaid expenses and other assets	6	7	9	7	10
Total Assets	\$17,189	\$16,716	\$16,124	\$16,058	\$15,488
Liabilities					
Payable for investments purchased	\$27	\$57	\$14	-	-
Debt	9,306	9,137	8,694	8,678	8,158
Unrealized depreciation on derivative instruments	0	-	1	1	1
Shareholders' distributions payable	193	190	192	196	196
Interest Payable	77	67	90	74	95
Other liabilities ⁽¹⁾	99	105	121	126	123
Total Liabilities	\$9,702	\$9,556	\$9,112	\$9,075	\$8,573
Total Net Assets	\$7,487	\$7,160	\$7,012	\$6,983	\$6,915
Net Asset Value per Share	\$26.41	\$25.30	\$24.89	\$24.93	\$24.69

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

Quarterly Gain/Loss Information

<i>(Dollar amounts in millions, except per share data)</i>	For The Three Months Ended				
	6/30/22	9/30/22	12/31/22	3/31/23	6/30/23
Realized gain/loss					
Net realized gain (loss) on investments:					
Non-controlled/unaffiliated investments	\$177	\$16	(\$31)	(\$58)	(\$39)
Non-controlled/affiliated investments	45	51	(6)	0	(3)
Controlled/affiliated investments	(39)	(4)	(28)	-	(172)
Net realized gain (loss) on foreign currency forward contracts	2	2	1	3	1
Net realized gain (loss) on foreign currency	6	5	11	1	2
Total net realized gain (loss)	\$191	\$70	(\$53)	(\$54)	(\$211)
Unrealized gain/loss					
Net change in unrealized appreciation (depreciation) on investments:					
Non-controlled/unaffiliated investments	(\$251)	(\$283)	(\$105)	\$5	\$26
Non-controlled/affiliated investments	(71)	(99)	9	16	(27)
Controlled/affiliated investments	(184)	(69)	45	10	128
Net change in unrealized appreciation (depreciation) on foreign currency forward contracts	15	15	(15)	(4)	1
Net change in unrealized gain (loss) on foreign currency	27	23	(38)	(3)	(4)
Total net unrealized gain (loss)	(\$464)	(\$413)	(\$104)	\$24	\$124
Total net realized and unrealized gain (loss)	(\$273)	(\$343)	(\$157)	(\$30)	(\$87)

Important Disclosure Notice

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Certain figures in this presentation have been rounded.

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