Thank you for joining

- Please submit your questions using the Q&A box.
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To learn more
Call 877-628-8575
visit www.fsinvestments.com
FS KKR Capital Corp. II
Listing preparations
JUNE 2020
Agenda

1. Strategic rationale
2. Preparing investor accounts
3. Listing considerations
4. Resources for client conversations
Strategic rationale
FSKR is the result of a four-way BDC merger

- Four-way BDC merger completed on December 18, 2019
- FSIC II was the surviving entity and was renamed FS KKR Capital Corp. II

1. As of March 31, 2020.

- The merger between FSIC and CCT was completed on December 19, 2018
- Combined entity (FSK) is listed on the NYSE

Total AUM
- $8.2B
- $7.4B

Total equity
- $4.2B
- $3.0B
# Listing creates optionality for all stakeholders

## Shareholder benefits extend beyond just liquidity

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td><strong>List on NYSE</strong></td>
</tr>
<tr>
<td></td>
<td>• Provides full liquidity for shareholders outside of quarterly tenders</td>
</tr>
<tr>
<td></td>
<td>• Allows the fund to increase regulatory leverage to 2:1 (debt-to-equity)</td>
</tr>
<tr>
<td></td>
<td>• Provides middle market companies with capital to finance operations</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td><strong>Increase borrowing capacity</strong></td>
</tr>
<tr>
<td></td>
<td>• Unlocks up to $1.6 billion in borrowing capacity</td>
</tr>
<tr>
<td></td>
<td>• Ensures sufficient liquidity to support our middle market portfolio companies</td>
</tr>
<tr>
<td></td>
<td>‒ Take advantage of investment opportunities created by dislocation</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td><strong>Strategically deploy capital</strong></td>
</tr>
<tr>
<td></td>
<td>• Stabilizes NAV by supporting portfolio companies</td>
</tr>
<tr>
<td></td>
<td>• Goal to enhance long-term dividend yield</td>
</tr>
<tr>
<td></td>
<td>• Potential to increase return on equity over long term</td>
</tr>
</tbody>
</table>

Based on fair value. Only includes debt investments.
Potential to unlock over $1 billion in available capacity

1:1 net debt-to-equity

- Current (0.76x): $7.5
- Maximum (1.0x): $7.5
- Additional capacity: $1.0

2:1 net debt-to-equity

- Target (1.0x): $7.5
- Target (1.25x): $2.0
- Maximum (2.0x): $5.2
- Additional capacity: $2.0, $5.2

Net debt-to-equity and foreign currency for investments purchased/sold and repaid, divided by net assets.
Fully liquid security with path to grow distribution yield

ANNUALIZED DISTRIBUTION YIELD (AS % OF NET ASSET VALUE)

<table>
<thead>
<tr>
<th>Peer 1</th>
<th>Peer 2</th>
<th>Peer 3</th>
<th>Peer 4</th>
<th>Peer 5</th>
<th>Peer 6</th>
<th>Peer 7</th>
<th>Peer 8</th>
<th>FSKR</th>
<th>Peer 9</th>
<th>Peer 10</th>
<th>Peer 11</th>
<th>Peer 12</th>
<th>Peer 13</th>
<th>Peer 14</th>
<th>Peer 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.2%</td>
<td>11.5%</td>
<td>11.1%</td>
<td>10.8%</td>
<td>10.5%</td>
<td>10.4%</td>
<td>10.3%</td>
<td>9.9%</td>
<td>9.7%</td>
<td>9.6%</td>
<td>9.5%</td>
<td>8.5%</td>
<td>7.9%</td>
<td>7.5%</td>
<td>6.9%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

Committed capital available for growth up to 1.25x regulatory leverage ceiling ($B)¹

<p>| | | | | | | | | | | | | | | | |</p>
<table>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.0</td>
<td>$0.0</td>
<td>$2.0</td>
<td>$0.0</td>
<td>$0.3</td>
<td>$0.0</td>
<td>$0.4</td>
<td>$0.0</td>
<td>$2.0²</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$0.6</td>
<td>$0.4</td>
<td>$0.3</td>
<td>$0.0</td>
<td>$0.0</td>
</tr>
</tbody>
</table>

Regulatory net leverage as of March 31, 2020

<p>| | | | | | | | | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>1.22x</td>
<td>1.72x</td>
<td>0.59x</td>
<td>1.51x</td>
<td>0.95x</td>
<td>1.50x</td>
<td>1.19x</td>
<td>1.28x</td>
<td>0.76x</td>
<td>1.74x</td>
<td>1.78x</td>
<td>0.56x</td>
<td>1.07x</td>
<td>0.82x</td>
<td>1.20x</td>
<td>1.59x</td>
</tr>
</tbody>
</table>

1. Lesser of additional debt that can be taken on up to an implied 1.25x net leverage, or total undrawn commitments under existing facilities plus cash on balance sheet.
2. Includes net payable/receivable for investments purchased/sold and repaid.
Current lending environment is attractive

Current market dynamics

<table>
<thead>
<tr>
<th></th>
<th>First lien</th>
<th>Second lien</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest rate</td>
<td>LIBOR + 6.5–8.5%</td>
<td>LIBOR + 8.5–10.5%</td>
</tr>
<tr>
<td>Upfront fees</td>
<td>2.0–4.0%</td>
<td>2.0–4.0%</td>
</tr>
<tr>
<td>Call protection &amp;</td>
<td>Enhanced</td>
<td>Enhanced</td>
</tr>
<tr>
<td>covenants</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Wider spreads combined with lower leverage and tighter covenants are producing an attractive investing environment.
- KKR’s scale, market reach and structuring capabilities are key advantages to opportunistically originate new investments during the current market dislocation.

Source: S&P LCD.
## Primary focus: The upper middle market

<table>
<thead>
<tr>
<th>EBITDA</th>
<th>Lower MM ($3–25M)</th>
<th>Middle MM ($25–50M)</th>
<th>Upper MM ($50–100M)</th>
<th>BSL Market ($100M+)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Competitive dynamics</strong></td>
<td>• Limited balance sheets</td>
<td>• Highly structured financings with specific covenants</td>
<td>• Highly structured financings with specific covenants</td>
<td>• Comoditized financing structures and product offerings</td>
</tr>
<tr>
<td></td>
<td>• Single-scope product offerings</td>
<td>• Ability to finance across capital structures</td>
<td>• Ability to finance across capital structures</td>
<td>• Tradable, liquid credit</td>
</tr>
<tr>
<td></td>
<td>• Extreme competition</td>
<td>• Less competition given size and scale required</td>
<td>• Less competition given size and scale required</td>
<td></td>
</tr>
<tr>
<td><strong>Market participants</strong></td>
<td>• Hundreds of community banks and “local” banks</td>
<td>• Limited number of large BDCs</td>
<td>• Limited number of large BDCs</td>
<td>• Bulge bracket banks</td>
</tr>
<tr>
<td></td>
<td>• 40-45 smaller BDCs</td>
<td>• Non-BDC market participants on an ad hoc basis</td>
<td>• Non-BDC market participants on an ad hoc basis</td>
<td>• CLO funds</td>
</tr>
<tr>
<td></td>
<td>• Numerous small, private funds</td>
<td></td>
<td></td>
<td>• Loan mutual funds</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Insurance companies</td>
</tr>
</tbody>
</table>
Preparing investor accounts
Next steps and operational considerations

June

- **June 8**
  - Account freeze

- **June 10**
  - 4-for-1 reverse stock split
    - Adjusted NAV of $24.68 vs. $6.17 per share based on March 31, 2020 NAV
    - Shares outstanding reduced from 684.8M to 171.2M

- **June 10**
  - 4-for-1 reverse stock split

- **June 17**
  - Targeted listing on the NYSE
    - Ticker: FSKR

- **Week of June 15**
  - Instructions mailed to applicable shareholders on how to move non-custodial shares into brokerage

Note: Subject to change and board approval.
Preparing investor accounts for listing

**Questions to answer**
- Does the client want to hold, buy or sell?

**Actions to take**
- Shares held with clearing firm

**Result**
- **YES**
  - Shares automatically move to brokerage account
- **NO**
  - Does the client want to hold, buy or sell?
    - HOLD
      - No action required
    - BUY OR SELL
      - Coordinate with your home office

*Contact FS Investments for more information on direct liquidation.*
Moving shares into a brokerage account post-listing

Upon listing (if currently holding directly):

YOUR CLIENTS WILL RECEIVE

Direct Registration Transaction Advice, or DRTA, will be sent around or about the listing date.

Information is also available on the investor’s quarterly statement and DST Vision.

CLIENT INFO TO SET UP A BROKERAGE ACCOUNT

Contact the brokerage firm to confirm the requirements to move shares via the Direct Registration System (DRS).

Follow the instructions given by the brokerage firm – most firms require their proprietary transfer of assets form and the most recent customer statement.

Once the brokerage firm submits a request to transfer shares, the shares should be credited to brokerage account and be eligible for trading within 2–3 business days.
# Post-listing considerations based on how shares are held

<table>
<thead>
<tr>
<th>Brokage</th>
<th>Directly held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recordkeeping</td>
<td>Access account information on DST Vision.</td>
</tr>
<tr>
<td>Distributions</td>
<td>FSKR provides quarterly statement and year-end tax reporting (1099-DIV).</td>
</tr>
<tr>
<td>Statements/tax reporting</td>
<td>No change in distribution elections.</td>
</tr>
<tr>
<td></td>
<td>To change distribution elections, complete an Account Maintenance Form.</td>
</tr>
</tbody>
</table>
Key listing considerations
Continuously executing on plans to maximize shareholder value

**Key corporate milestones**

<table>
<thead>
<tr>
<th>Non-traded BDC merger</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Create significant scale for public markets</td>
<td>✔</td>
</tr>
<tr>
<td>• Ensure equal treatment of shareholders with NAV-for-NAV merger</td>
<td></td>
</tr>
<tr>
<td>• Enable overall portfolio diversification while maintaining focus on core strategies</td>
<td></td>
</tr>
<tr>
<td>• Reduce operating costs by eliminating redundant corporate expenses</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Listing</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Provide a tradable security to FSKR shareholders</td>
<td></td>
</tr>
<tr>
<td>• Enable blue-chip following of FSKR and across the FS/KKR BDC franchise</td>
<td>June 17 target</td>
</tr>
<tr>
<td>• Establish broad-based institutional research coverage network</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Increase leverage capacity</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Enhance long-term FSKR dividend yield and ROE</td>
<td>Post-listing</td>
</tr>
<tr>
<td>• Increased investment capacity will provide a strong liquidity position and enable opportunistic investments in current market dislocation</td>
<td></td>
</tr>
<tr>
<td>• Shareholder approval expected shortly after listing</td>
<td></td>
</tr>
</tbody>
</table>

Based on fair value. Only includes debt investments.
### Creating the second-largest BDC franchise

Total assets under management ranked by BDC advisor/manager ($B)

<table>
<thead>
<tr>
<th>BDC Advisor/Manager</th>
<th>Total Assets ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARCC</td>
<td>$15.8</td>
</tr>
<tr>
<td>ORCC</td>
<td>$15.6</td>
</tr>
<tr>
<td>PSEC</td>
<td>$8.2</td>
</tr>
<tr>
<td>GBDC</td>
<td>$7.4</td>
</tr>
<tr>
<td>NMFC</td>
<td>$5.2</td>
</tr>
<tr>
<td>AINV</td>
<td>$4.3</td>
</tr>
<tr>
<td>PNNT &amp; PFLT</td>
<td>$3.1</td>
</tr>
<tr>
<td>BCSF</td>
<td>$2.9</td>
</tr>
<tr>
<td>MAIN</td>
<td>$2.6</td>
</tr>
<tr>
<td>HTGC</td>
<td>$2.6</td>
</tr>
<tr>
<td>SLRC &amp; SUNS</td>
<td>$2.5</td>
</tr>
<tr>
<td>CGBD</td>
<td>$2.4</td>
</tr>
<tr>
<td>OCSL &amp; OCSI</td>
<td>$2.3</td>
</tr>
<tr>
<td>TSLX</td>
<td>$2.1</td>
</tr>
<tr>
<td>TCPC</td>
<td>$2.1</td>
</tr>
<tr>
<td>GSBD</td>
<td>$2.1</td>
</tr>
<tr>
<td>FSR</td>
<td>$1.7</td>
</tr>
<tr>
<td>NMFC</td>
<td>$1.5</td>
</tr>
</tbody>
</table>

As of March 31, 2020.
Partnering with a leading alternative asset manager

KKR at a glance

- **20 offices** in 16 countries & 4 continents
- **~$20B** balance sheet invested alongside KKR clients
- **~470** investment professionals (~130 KKR Credit)
- **Aligned interests** $2.1B of KKR’s balance sheet committed across KKR credit strategies¹

Total assets under management

- **$207B**

  - **Private markets** $114B
    - Private Equity
    - Private Credit
    - Infrastructure
    - Real Estate
    - Energy
  - **Public markets** $93B
    - Leveraged Credit
    - Private Credit
    - Special Situations
    - Strategic Partnerships

KKR Credit assets under management

- **$68B**

  - **Leveraged Credit** $38B
  - **Private Credit** $24B
  - **Special Situations** $5B

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

¹. 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.
A true partnership investing across the KKR Credit platform

BDC franchise has access to the same KKR Credit investment opportunities as other client accounts

- Through SEC exemptive relief, the BDC franchise receives a pro rata allocation of deals that fit each BDC’s mandates.
- Legal and compliance must review and approve the allocation methodology anytime an opportunity is not distributed pro rata to the BDC franchise.

**Investment approval and allocation process**

- Investment Committee screening
- Deal Team diligence
- Structure iterations/feedback
- Investment Committee approval

**Pro rata allocation between BDC Franchise and KKR Credit Private Funds**

Note: Fee terms between funds may vary. Pro rata allocation decisions are based on a variety of factors including, but not limited to, available capital, demand size, investment suitability, deal-specific considerations and portfolio management. KKR’s investment mandate includes participation in the direct lending and private opportunistic credit strategies as well as liquid credit investments when appropriate.
FS/KKR Advisor performance

FSKR new investment by quarter ($M)

Performance of new investments ($M)¹

<table>
<thead>
<tr>
<th>Quarter</th>
<th>FSKR new investment ($M)</th>
<th>Performance of new investments ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q2 2018</td>
<td>$356</td>
<td>$3,678</td>
</tr>
<tr>
<td>Q3 2018</td>
<td>$300</td>
<td>($17)</td>
</tr>
<tr>
<td>Q4 2018</td>
<td>$500</td>
<td>$490</td>
</tr>
<tr>
<td>Q1 2019</td>
<td>$490</td>
<td></td>
</tr>
<tr>
<td>Q2 2019</td>
<td>$538</td>
<td>$353</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>$807</td>
<td>$1,142</td>
</tr>
<tr>
<td>Q4 2019</td>
<td>$3,678</td>
<td>$4,503</td>
</tr>
<tr>
<td>Q1 2020</td>
<td>$807</td>
<td>($334)</td>
</tr>
</tbody>
</table>

Cumulative depreciation totaled 0.47% as of December 31, 2019
Cumulative depreciation totaled 7.4% on investments totaling $4.5B as of March 31, 2020
Average BDC industry portfolio depreciation totaled 8.4% during Q1 2020²

Note: FS/KKR Advisor formed in April 2018
1. All figures are cumulative. Pre-COVID is from Q2 2018 to Q4 2019. Including COVID is from Q2 2018 to Q1 2020.
2. Per Goldman Sachs BDC industry report of 47 public BDCs.
Responding to rising investor demand for liquidity

Total number of shares requested for repurchase (millions)

Data shown is for FS KKR Capital Corp. II (formerly known as FSIC II), which was the surviving entity in the NAV-for-NAV mergers of FSIC II, FSIC III, FSIC IV and CCT II.
Significant secondary market support across FS/KKR platform

- **FSK | FS KKR Capital Corp.**
  - $120M+
  - Co-investment vehicle

- **FSK | FS KKR Capital Corp. II**
  - $350M
  - Co-investment vehicle

- **FSK | FS KKR Capital Corp. II**
  - $100M
  - Fund share repurchase program
Next steps and operational considerations

Secondary market support can commence 20 trading days following listing.

June 17
Listing

Mid-July

$100M initial commitment
Co-investment vehicle

$100M
Fund share repurchase program

Note: Subject to change and board approval.
Short-term technical pressure not reflective of portfolio quality

Illustrative dividend yield (NAV) based on a range of valuations

Based on net asset value as of March 31, 2020.
1. Implied loss rate refers to the decline in asset value necessary to equate to the assumed price-to-book value.

<table>
<thead>
<tr>
<th>Price/Book (NAV)</th>
<th>100%</th>
<th>95%</th>
<th>90%</th>
<th>85%</th>
<th>80%</th>
<th>75%</th>
<th>70%</th>
<th>65%</th>
<th>60%</th>
<th>55%</th>
<th>50%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implied loss rate¹</td>
<td>--</td>
<td>2.6%</td>
<td>5.1%</td>
<td>7.7%</td>
<td>10.2%</td>
<td>12.7%</td>
<td>15.3%</td>
<td>17.9%</td>
<td>20.5%</td>
<td>23.1%</td>
<td>25.5%</td>
</tr>
</tbody>
</table>

| $24.68 | $23.45 | $22.21 | $20.98 | $19.74 | $18.51 | $17.28 | $16.04 | $14.81 | $13.57 | $12.34 |
Significant market reach of FS/KKR BDC franchise

Total assets under management ranked by BDC advisor/manager ($B)

- ARCC: $15.8
- ORCC: $15.6
- PSEC: $8.2
- GBDC: $7.4
- NMFC: $9.4
- AINV: $5.2
- PNNT & PFLT: $4.3
- BCSF: $3.1
- MAIN: $2.9
- HTGC: $2.6
- SLRC & SUNS: $1.4
- CGBD: $2.6
- OCSL & OCSI: $2.3
- TSLX: $2.1
- TCPC: $2.1
- GSBD: $1.7
- NMFC: $1.5

As of March 31, 2020.
Comprehensive, coordinated approach to listing

FSK | FS KKR Capital Corp.

May
- May 26: Board authorized $100M share repurchase program
- May 27: Announce $124M co-investment vehicle

June
- June 3: Analyst Day
- June 8: JPMorgan, Morgan Stanley, SunTrust & KBW announced as lead advisors for listing
- June 10: 4-for-1 reverse stock split
  - Adjusted NAV of $24.68 vs. $6.17 per share
  - Shares outstanding reduced from 684.8M to 171.2M
- June 9–16: Institutional road show
- June 15: 4:1 reverse stock split
- June 17: Targeted listing on the NYSE

Note: Subject to change and board approval.
1. Based on FSKR's net asset value as of March 31, 2020.
Resources

- FSPROXY.COM
- 8-K FILING
- OPERATIONAL OVERVIEW FLYER
- FAQs
Questions?
Disclosures

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Forward-Looking Statements

This presentation may contain certain forward-looking statements, including statements with regard to future events or the future performance or operations of FSKR. Words such as “believes,” “expects,” “projects,” “future” and “pro forma” 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. Some factors that could cause actual results to differ materially include changes in the economy, risks associated with possible disruption in FSKR’s operations or the economy generally due to terrorism, natural disasters or pandemics, future changes in laws or regulations and conditions in FSKR’s operating area, the lower asset coverage ratio not being approved by FSKR’s stockholders, FSKR not being able to utilize the additional leverage capacity, FSKR’s investment yield being less than 10%, and cost saving opportunities not materializing in the amounts expected or at all. Other factors are enumerated in the filings FSKR makes with the U.S. Securities and Exchange Commission. FSKR undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.