



FS INVESTMENTS®

FS Credit Opportunities Corp.

Quarter ended December 31, 2022

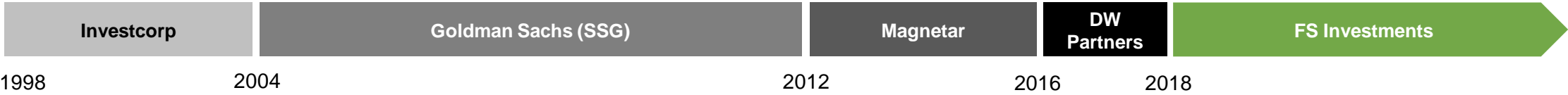
All information is as of December 31, 2022, unless otherwise noted.

FS Investments Liquid Credit & Special Situations Team

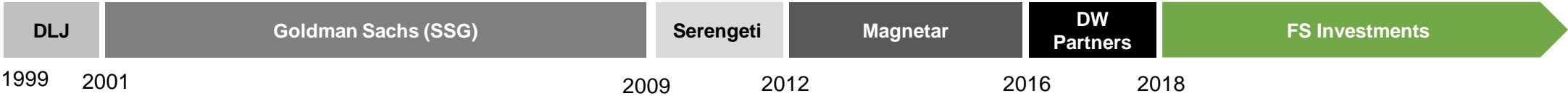
The team assumed full management of FSCO in January 2018



Andrew Beckman, Head Portfolio Manager



Nicholas Heilbut, Portfolio Manager, Director of Research



Team member	Title	Years of experience	Focus area
Scott Giardina	Managing Director	21	Trading, sourcing, tail protection
Rushabh Vora	Managing Director	14	Special situations, sourcing, diligence/underwriting
Kenichiro Jin	Managing Director	19	Technology, media, telecom, software
James Holley	Executive Director	19	Building/construction, industrials
Brian Hightower	Director	14	Retail, consumer products & services, financials
Anna Filipovich	Director	8	Business services, leisure/hospitality, tech/software
Vadim Levit	Director	7	Healthcare, other
Michael Finocchiaro	Associate	3	Packaging, gaming, consumer, telecom

16
Average years of experience

5
credit cycles the team has invested through

Leveraging the full scale of FS Investments' platform

Investment + markets expertise

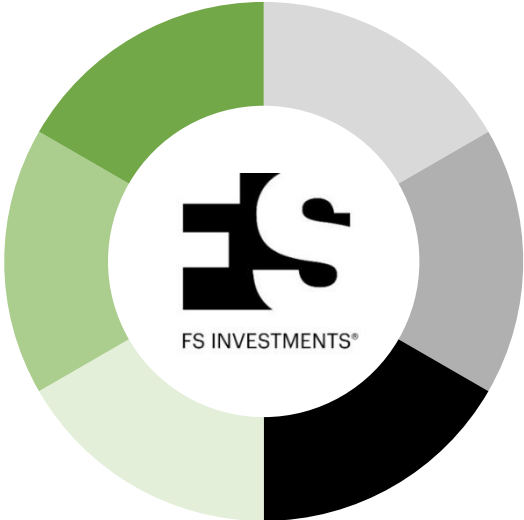
Shared insights among various research teams, including internal managers and external investment partners

Established credit franchise

Leveraging relationships across all FS verticals provides access to deal flow, idea generation and diligence sources

Capital markets

The Capital Markets team helps source, negotiate and structure financing facilities across the entire FS Investments platform, representing over \$25 billion in financing facilities



Legal + compliance

Oversees approximately \$26 billion in assets across 1940 Act funds, including closed-end funds, business development companies and interval funds by a team of 25 professionals.

Finance + accounting

Provide oversight of third-party books and records, enterprise risk management, accounting and tax, internal audit and controls, and financial statement preparation

Operations + technology

A team of 80+ professionals oversee the firm's day-to-day operations, portfolio management and technology integration.

Robust sourcing across public & private markets

Relationships across FS Investments' platform provide significant sourcing competitive edge

- Longstanding relationships** with banks and capital markets teams
- Favorable allocations** due to platform scale and breadth of relationships
- Private credit presence** gives us access to early looks on deals
- Well-positioned** for knowledge and access on middle-market credits

External sourcing relationships



Internal sourcing relationships

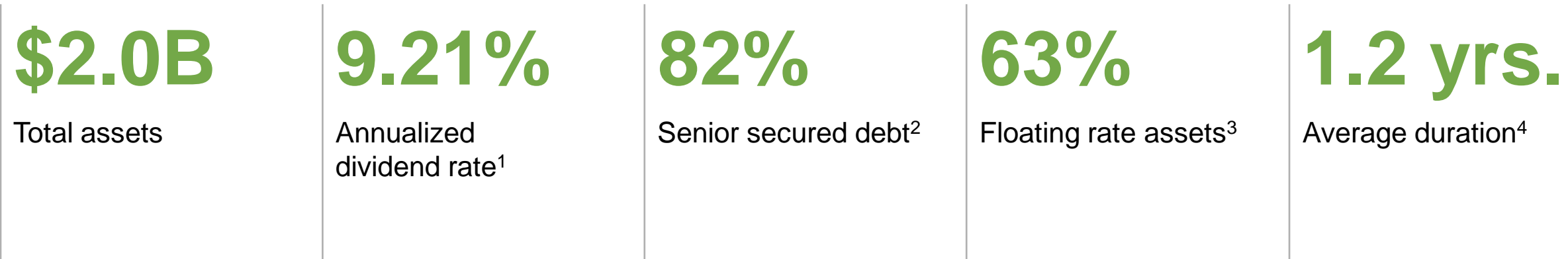


\$554M Originated & primary volume **+** **\$1.02B** Secondary volume **=** **\$1.6B** Trailing twelve-month transaction volumes¹

1. Last 12 months as of December 31, 2022. Represents transaction volume for FSCO and other vehicles managed by the FS Liquid Credit and Special Situations Team, including \$575 million of CLO transactions in Bridge Street CLO I & II and Bridge Street CLO III.

FS Credit Opportunities Corp. overview

NYSE: FSCO



Data as of December 31, 2022, unless otherwise noted.

1. As of February 28, 2023. The payment of future dividends on FSCO's common shares is subject to the discretion of FSCO's board of directors and applicable legal restrictions and, therefore, there can be no assurance as to the amount or timing of any such future dividends.

2. Senior secured debt includes first lien loans, second lien loans and senior secured bonds.

3. Includes floating rate assets on a look-through basis within FSCO's Asset Based Finance investments.

4. Includes all debt investments. Duration measures the sensitivity of a fixed income investment's price to changes in interest rates and is measured in years. A duration of 1.2 years suggests that a 1% rise in interest rates would equate to a 1.2% decline in FSCO's NAV and vice versa as rates fall.

Flexible strategy investing in public and private markets

The flexibility to adjust allocations between public and private markets has been a significant driver of our ability to deliver strong risk-adjusted returns across changing economic and credit cycles for investors

Public markets

- **Event-driven** investing in credits with catalysts for price appreciation, including M&A, refinancing, debt maturities, earnings growth
- **Opportunistic performing credit**
 - High quality credits in out-of-favor industries
 - Opportunities created during dislocations
 - Complex situations in primary markets
 - Misunderstood or off-the-run credit
- **Special Situations:** Idiosyncratic stressed & distressed borrowers

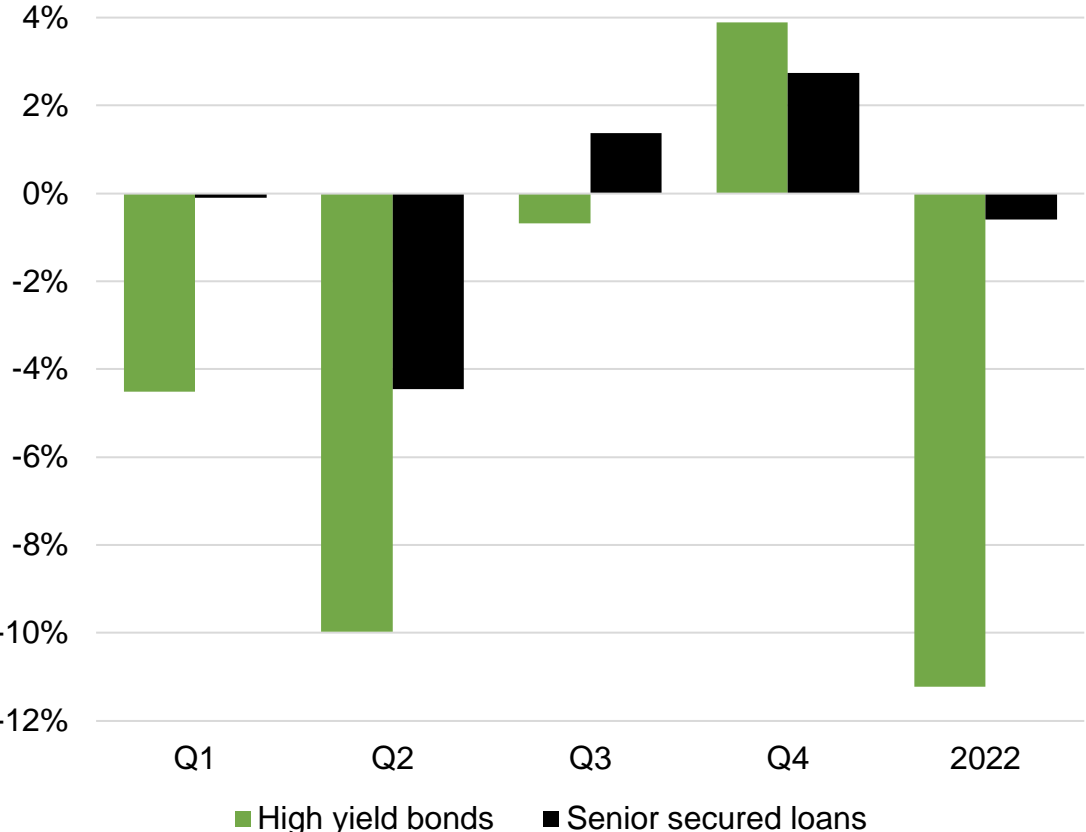


Private markets

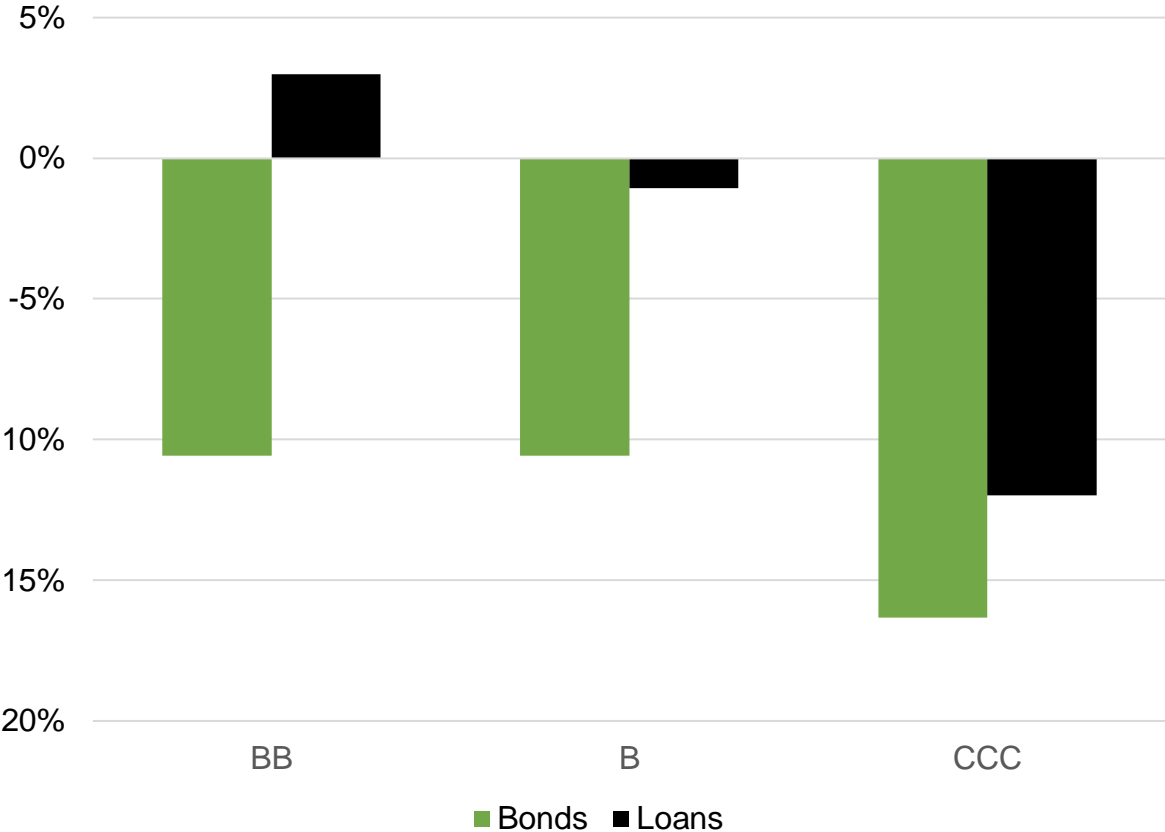
- Financings to **unconventional credit profiles** outside the focus of banks, traditional BDCs, and conventional lenders
- Transitional capital
- Rescue financing / distressed / stressed
- Lending to dislocated sectors
- Sponsored and non-sponsored transactions

Credit market returns in 2022

Total returns by asset class



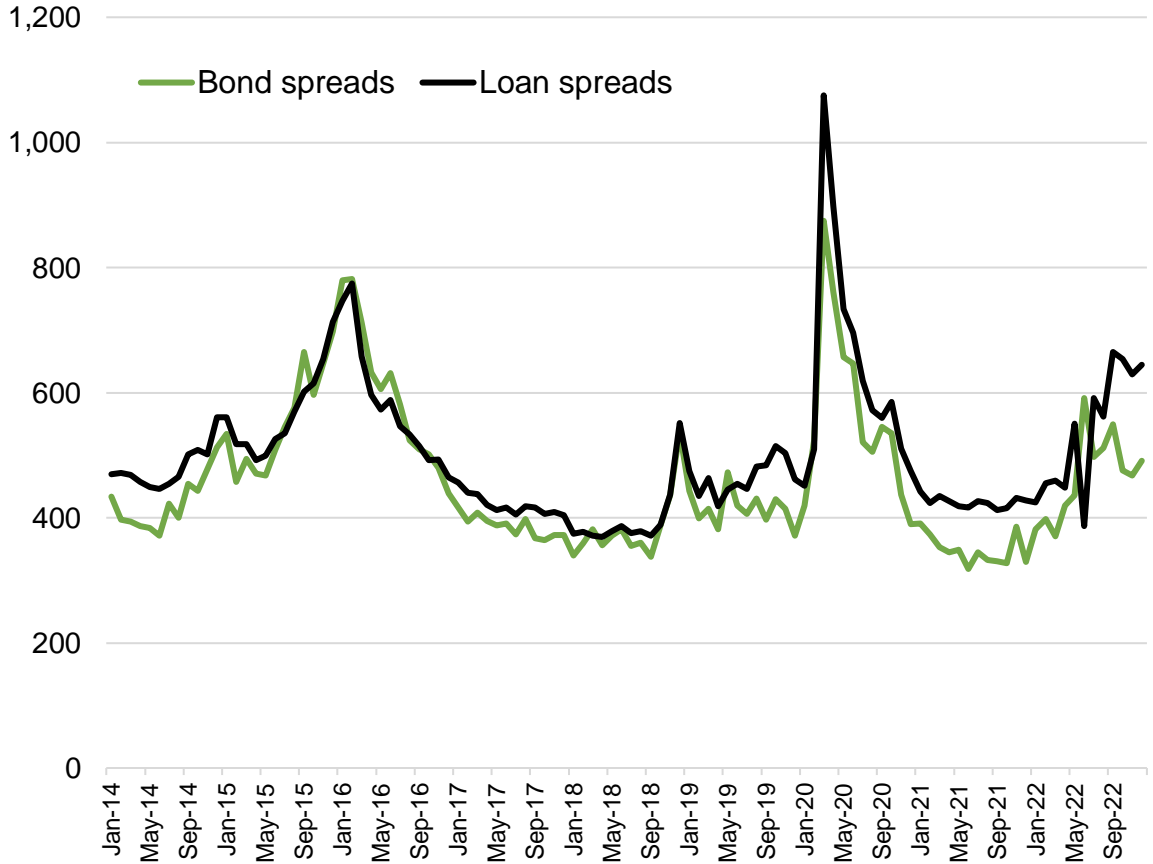
Returns by credit rating in 2022



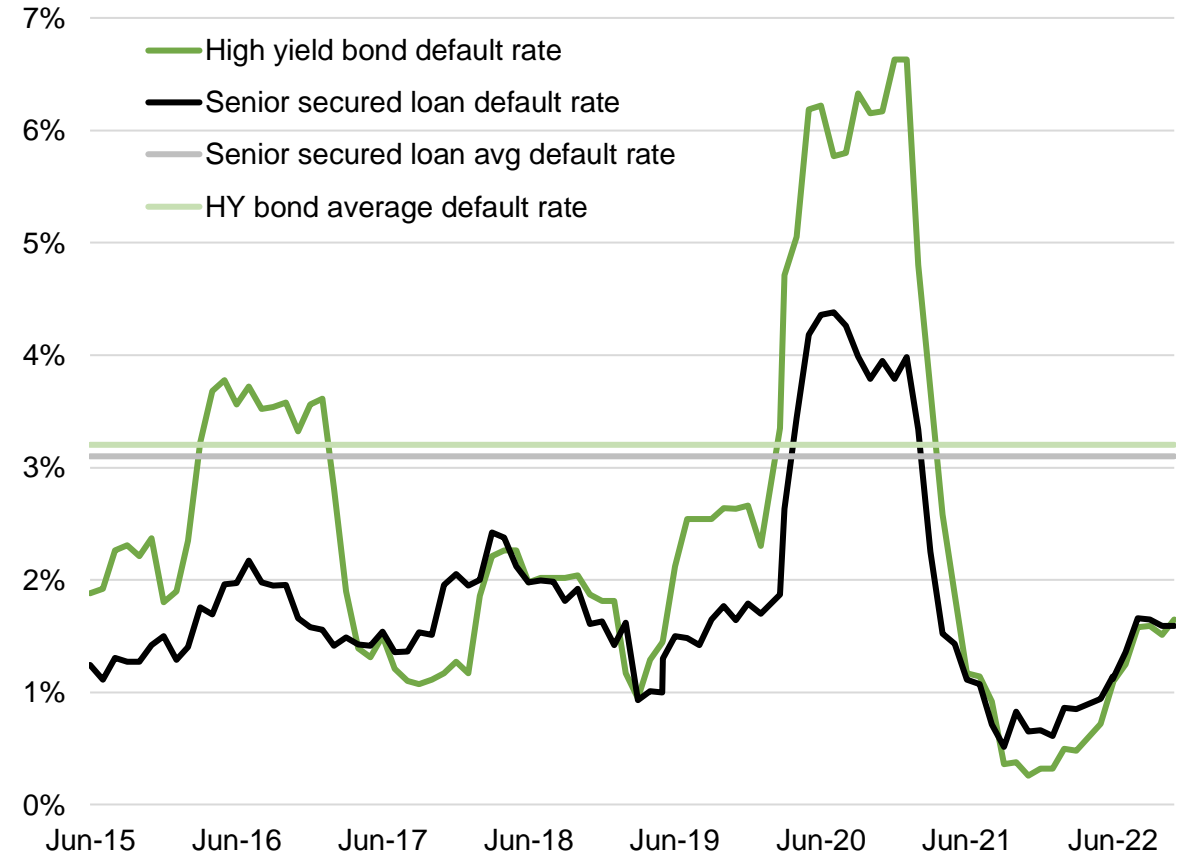
High yield bonds are represented by the ICE BAML U.S. High Yield Bond Index. Loans are represented by the Morningstar LSTA Leveraged Loan Index.

Spreads widened and defaults modestly increased

High yield and senior secured loan spreads (bps)



Default rates



High yield bonds are represented by the ICE BAML U.S. High Yield Bond Index. Loans are represented by the Morningstar LSTA Leveraged Loan Index.

Q4 2022 portfolio and performance highlights

Performance highlights

- Net investment income (NII) for the quarter ended December 31, 2022 was \$32 million, or \$0.16 per share, as compared to \$29 million, or \$0.15 per share, for the quarter ended September 30, 2022.
- Net asset value (NAV) as of December 31, 2022 was \$6.33 per share, compared to \$6.62 as of September 30, 2022.
- The majority of the decline in NAV quarter-over-quarter was attributed to unrealized depreciation in the portfolio due to spread widening experienced in the latter half of 2022.

Dividends

- Paid total dividends of \$0.134 per share in Q4 2022.
- For the quarter ended December 31, 2022, the NII / Dividend coverage ratio was 118%.
- Declared a total dividend of \$0.04945 per share for March 2023.
- Annualized dividend yield based on NAV was 9.21% as of February 28, 2023.

Portfolio

- Diversified portfolio with 78 portfolio companies across 19 industries.
- Top 10 holdings represented 24.6% of the portfolio's fair value.
- ~40% private credit¹

Borrowings

- 0.55x debt-to-equity ratio (0.23x excluding preferred equity) as of December 31, 2022.
- Weighted average effective rate on borrowings was 5.68%.
- 52% of total drawn leverage was comprised of fixed rate, preferred debt.
- \$265 million available borrowing capacity

Data as of December 31, 2022, unless otherwise noted.

1. Represented by assets that are classified as Level 3 assets (excluding equity investments) for purposes of determining fair value.

FSCO investment portfolio overview

\$2.0B

Total assets

78

Portfolio companies

63%

Floating rate assets¹

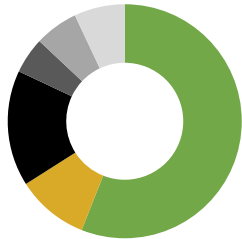
82%

Senior secured debt²

1.2 years

Average duration³

Asset type



56% Senior Secured Loans – 1st Lien

10% Senior Secured Loans – 2nd Lien

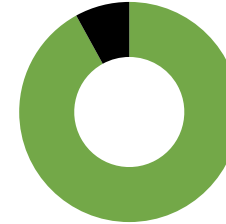
16% Senior Secured Bonds

5% Subordinated Debt

6% Asset Based Finance

7% Equity/Other

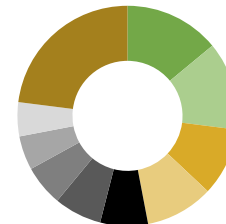
Geographic location



92% United States

8% Other

Sector allocations⁴



14% Health Care Equipment & Services

7% Energy

13% Consumer services

6% Retailing

10% Commercial & Professional Services

5% Pharmaceuticals, Biotechnology & Life Sciences

10% Capital Goods

5% Automobiles & Components

7% Diversified Financials

23% Other

All figures based on fair value as of December 31, 2022.

1. Includes floating rate assets on a look-through basis within the FSCO's Asset Based Finance investments.
2. Senior secured debt includes first lien loans, second lien loans and senior secured bonds.
3. Includes all debt investments. Duration measures the sensitivity of a fixed income investment's price to changes in interest rates and is measured in years. A duration of 1.2 year suggests that a 1% rise in interest rates would equate to a 1.2% decline in FSCO's NAV and vice versa as rates fall.
4. Other includes Transportation, Consumer Durables & Apparel, Software & Services, each representing 4%. Materials (3%). Insurance, Telecommunication Services, each representing 2%. Banks, Food, Beverage & Tobacco, Technology Hardware & Equipment, Food & Staples Retailing, each representing 1%.

Preferred financing offers competitive advantages

Benefits of preferred equity financings

Enhanced borrowing flexibility of underlying assets

Attractive multi-year fixed-rate borrowings

Favorable regulatory treatment

Funding source	Rate	Amount Outstanding (\$M)	Undrawn (\$M)	Maturity
Revolving Credit Facility	L + 1.10%	–	\$200	3/27/2023
Revolving Credit Facility	L + 2.65%	–	\$65	12/15/24
Term Loan	L + 2.65%	\$285	–	12/15/24
2023 Preferred	L + 1.85%	\$45	–	8/1/23
2023 Preferred	4.82%	\$55	–	8/1/23
2025 Preferred	4.49%	\$50	–	11/1/25
2025-2 Preferred	4.00%	\$50	–	11/1/25
2026 Preferred	5.43%	\$100	–	2/1/26
2027 Preferred	2.95%	\$100	–	1/31/27
Total		\$685	\$265	

\$400M

Preferred debt financings

0.23x

Debt-to-equity
(without preferred shares)

0.55x

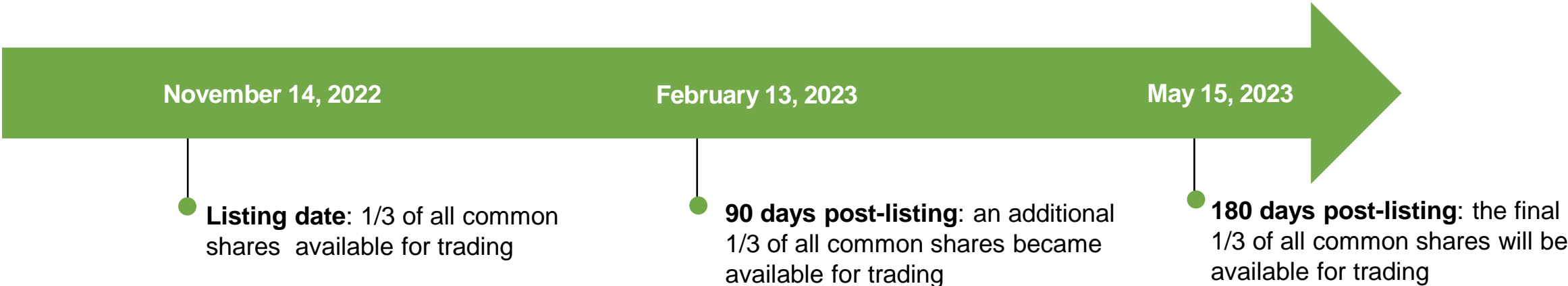
Debt-to-equity
(with preferred shares)

~5.7%

Effective cost of borrowing

A phased approach to the direct listing

Timeline

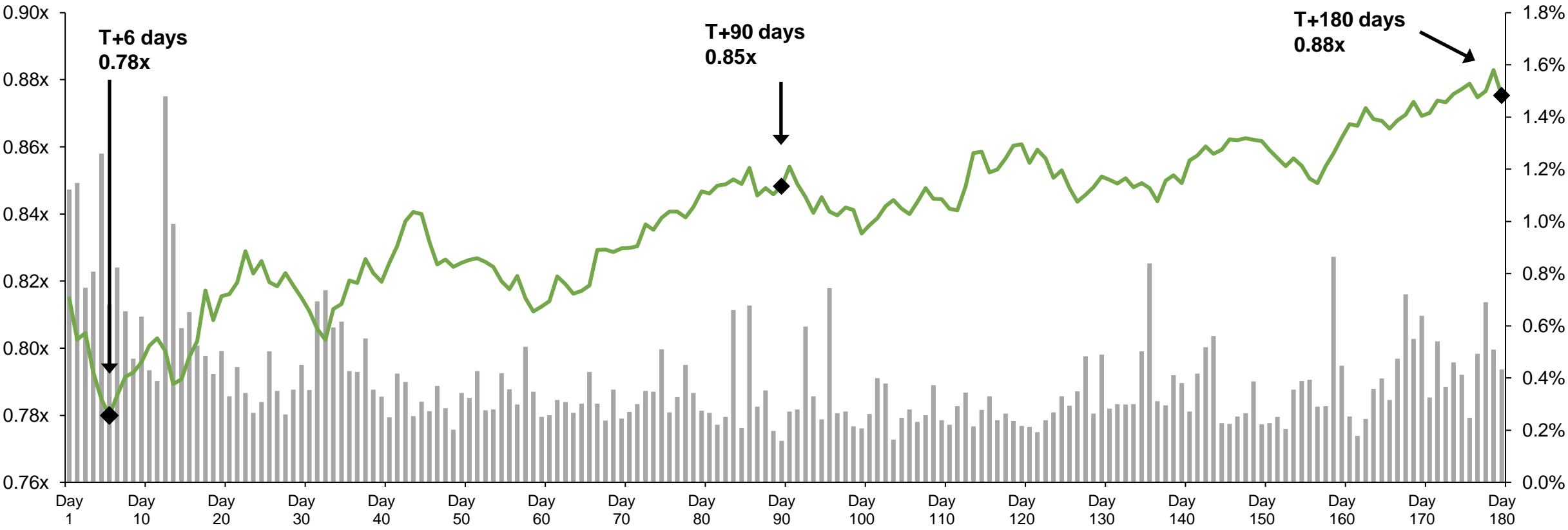


Prior direct listings in perspective

Valuations and stock prices have generally increased after initial downward pressure

Price-to-book value (indexed)

Daily trading volume as % of shares outstanding



For illustrative purposes only. Historical performance is not a guarantee or reliable indicator of future results. Public listings are subject to current market and economic conditions which can impact performance.
 Source: Factset, Bloomberg, company filings. Analysis represents average performance of RiverNorth Specialty Finance Corporation (RSF), Vertical Capital Income Fund (VCIF), Corporate Capital Trust (CCT), FS KKR Capital Corp. II (FSKR) and FS KKR Capital Corp. (FSK).

Appendix

Track record of generating strong risk-adjusted returns

FSCO has outperformed the liquid indexes since the change in management in January 2018

As of December 31, 2022	YTD	1YR	3YR	5YR	Since January 1, 2018		
					Annualized return	Over/Under performance	Sharpe ratio
FSCO (net NAV return)	-10.69%	-10.69%	1.80%	4.01%	4.01%	--	0.26
Credit Suisse Leveraged Loan Index (gross return)	-1.06%	-1.06%	2.34%	3.24%	3.24%	77 bps	0.27
ICE BofAML U.S. High Yield Index (gross return)	-11.22%	-11.22%	-0.23%	2.12%	2.12%	189 bps	0.08
HFRX Event-Driven Index (gross return)	-7.27%	-7.27%	0.48%	-0.29%	-0.29%	430 bps	-0.28

Financial highlights

	FY 2019	1H 2020	FY 2020	1H 2021	FY 2021	1H 2022	FY 2022
\$ in millions	12/31/2019	6/30/2020	12/31/2020	6/30/2021	12/31/2021	6/30/2022	12/31/2022
Investment Portfolio	\$1,690	\$1,758	\$1,900	\$2,131	\$2,244	\$1,987	\$1,825
Debt	\$125	\$340	\$385	\$455	\$435	\$335	\$285
Preferred	\$199	\$199	\$298	\$298	\$397	\$397	\$398
Net Assets	\$1,494	\$1,309	\$1,450	\$1,510	\$1,506	\$1,359	\$1,256
Debt-to-Equity (including preferred shares)	0.22x	0.41x	0.47x	0.50x	0.55x	0.54x	0.55x
Debt-to-Equity (without preferred shares)	0.08x	0.26x	0.27x	0.30x	0.29x	0.25x	0.23x
Asset Coverage ¹	14.42x	5.40x	5.51x	4.98x	5.37x	6.18x	6.63x
Cash	\$67	\$108	\$248	\$122	\$87	\$114	\$92
Debt to Capital	0.17x	0.33x	0.30x	0.42x	0.50x	0.46x	0.47x
Net Debt-to-Capital ²	0.17x	0.33x	0.30x	0.42x	0.49x	0.46x	0.47x
NII Yield (to average net assets)	9.23%	8.22%	8.27%	6.48%	7.32%	10.18%	9.71%
Per Share Data							
NAV per share	\$7.50	\$6.56	\$7.30	\$7.66	\$7.64	\$6.90	\$6.33
NII per share	\$0.70	\$0.28	\$0.57	\$0.24	\$0.56	\$0.37	\$0.68
Dividend per share ³	\$0.57	\$0.27	\$0.55	\$0.26	\$0.51	\$0.26	\$0.52
Earnings per share	\$0.49	(\$0.67)	\$0.35	\$0.62	\$0.85	(\$0.48)	(\$0.79)
Shares Outstanding (MM)	199.245	199.474	198.572	197.248	197.138	197.092	198.356

1. Represents the value of the Fund's total assets available to cover senior securities, less all liabilities and indebtedness not represented by credit facility borrowings and term preferred shares, to the aggregate amount of credit facility borrowings outstanding representing indebtedness.

2. Total Net Debt represents (Total Debt - Cash) / Net Assets.

3. Beginning December 2022, FSCO raised its monthly dividend amount from \$0.0425 per share to \$0.04945 per share, equating to an annualized dividend of \$0.5934 per share.

Performance

As of December 31, 2022

	YTD	1YR	3YR	5YR	Since Jan 1, 2018	Since inception (December 13, 2013)
FSCO (NAV total return)	-10.69%	-10.69%	1.80%	4.01%	4.01%	3.54%
Credit Suisse Leverage Loan Index	-1.06%	-1.06%	2.34%	3.24%	3.24%	3.54%
ICE BofAML U.S. High Yield Index	-11.22%	-11.22%	-0.23%	2.12%	2.12%	3.59%
HFRX Event-Driven Index	-7.27%	-7.27%	0.48%	-0.29%	-0.29%	0.57%

Past performance is not a guarantee of future results.

Returns for periods greater than one year are annualized. Returns assume dividends are invested pursuant to the Fund's distribution reinvestment plan. FS Investments' Liquid Credit & Special Situations Group took over all portfolio management responsibilities for FSCO in January 2018. Visit www.fsinvestments.com/investments for further performance information.

An investment in the Fund involves risk, including loss of principal. Investment return and the value of shares will fluctuate. Shares may be worth more or less than original purchase price. Current performance may be lower or higher than the performance shown. Returns are calculated by determining the percentage change in NAV or market price (as applicable) in the specific period. The calculation assumes that all dividends, if any, have been reinvested. NAV and market price returns do not reflect broker sales charges, commissions or dealer manager fees, as applicable, in connection with the purchase or sales of Fund shares and includes the effect of any expense reductions. Returns for a period of less than one year are not annualized. Returns for a period of more than one year represents the average annual return. Performance at market price will differ from results at NAV. Although market price returns typically reflect investment results over time, during shorter periods returns at market price can also be influenced by factors such as changing views about the Fund, market conditions, supply and demand for the Fund's shares or changes in Fund dividends.

On December 14, 2020, FS Global Credit Opportunities Fund–A (FSGCO–A), FS Global Credit Opportunities Fund–ADV (FSGCO–ADV), FS Global Credit Opportunities Fund–D (FSGCO–D), FS Global Credit Opportunities Fund–T (FSGCO–T), and FS Global Credit Opportunities Fund–T2 (FSGCO– T2) (the Funds) merged into FS Global Credit Opportunities Fund (FSGCO). On March 23, 2022, the Fund was renamed FS Credit Opportunities Corp. (FSCO). Performance for shareholders who initially invested in the Funds would differ based on fees. Shareholder returns do not include selling commissions and dealer manager fees, which could have totaled up to 8% of FSGCO–A's public offering price, up to 2% of FSGCO–D's public offering price, up to 4% of FSGCO–T's public offering price, and up to 4% of FSGCO–T2's public offering price. Had such selling commissions and dealer manager fees been included, performance would be lower. Market conditions may cause the actual values to be more or less than the values shown.

Disclosures

Forward-looking statements

Statements included herein may constitute "forward-looking" statements as that term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements with regard to future events or the future performance or operations of the Fund. Words such as "intends," "will," "expects," and "may" 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, geopolitical risks, risks associated with possible disruption to the Fund's operations or the economy generally due to hostilities, terrorism, natural disasters or pandemics such as COVID-19, future changes in laws or regulations and conditions in the Fund's operating area, unexpected costs, the price at which the Fund's shares of common stock may trade on the New York Stock Exchange and such other factors that are disclosed in the Fund's filings with the Securities and Exchange Commission. The inclusion of forward-looking statements should not be regarded as a representation that any plans, estimates or expectations will be achieved. Any forward-looking statements speak only as of the date of this communication. Except as required by federal securities laws, the Fund undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on any of these forward-looking statements.

Risk factors

FS Credit Opportunities Corp. (“FSCO” or the “Company”) is a non-diversified, closed-end management investment company that carries out the investment strategies generally described herein. An investment in FSCO involves a high degree of risk and may be considered speculative. The following are some of the risks an investment in the shares of common stock of the Company (the “Shares”) involves; however, investors should carefully consider all of the risks discussed in FSCO’s reports filed with the U.S. Securities and Exchange Commission (the “SEC”) before deciding to invest in the Shares. Investors may obtain a copy of these filings free of charge at www.fsinvestments.com or by contacting FS Investments at 201 Rouse Boulevard, Philadelphia, PA 19112 or by phone at 877-628-8575.

- Shareholders of the Company (the “Shareholders”) should consider that an investment in the Shares may result in loss in principal.
- When a Shareholder sells their Shares, the Shareholder may receive less than their purchase price and the then-current net asset value, or NAV, per Share.
- Shares of closed-end funds frequently trade at a discount to NAV and this creates a risk of loss for investors who purchased Shares at the time of listing on the New York Stock Exchange (the “Listing”). This risk is separate and distinct from the risk that FSCO’s NAV will decrease.
- FSCO’s dividends may be funded from unlimited amounts of offering proceeds or borrowings, which may constitute a return of capital and reduce the amount of capital available to FSCO for investment. Any capital returned to Shareholders through dividends will be distributed after payment of fees and expenses, as well as the sales load.
- FSCO’s previous dividends to Shareholders were funded in significant part from the reimbursement of certain expenses, including through the waiver of certain investment advisory fees, and additional support payments that may be subject to repayment to FSCO’s affiliate, Franklin Square Holdings, L.P. (“FS Investments”), and FSCO’s future dividends may be funded from such waivers, reimbursements or payments. Significant portions of these dividends were not based on FSCO’s investment performance and such waivers, reimbursements and payments by FS Investments may not continue in the future. If FS Investments had not agreed to reimburse certain of FSCO’s expenses, including through the waiver of certain advisory fees payable by FSCO, and provide additional support payments, significant portions of FSCO’s dividends would have come from offering proceeds or borrowings. The repayment of any amounts owed to FS Investments will reduce the future dividends to which the Shareholders would otherwise be entitled.
- FSCO’s investments in securities and other obligations of companies that are experiencing distress involve a substantial degree of risk, require a high level of analytical sophistication for successful investment and require active monitoring.

Risk factors

- FSCO's investments in various types of debt securities and instruments may be secured, unsecured, rated or unrated, are subject to non-payment risk, and may be speculative in nature.
- Below investment grade instruments (commonly referred to as "high yield" securities or "junk bonds") may be particularly susceptible to economic downturns, which could cause losses.
- FSCO may invest in illiquid and restricted securities that may be difficult to dispose of at a fair price.
- FSCO's use of leverage could result in special risks for the Shareholders and can magnify the effect of any losses.
- Investments in certain securities or other instruments of non-U.S. issuers or borrowers may involve factors not typically associated with investing in the United States or other developed countries.
- Securities or other instruments of non-U.S. securities may be traded in underdeveloped, inefficient and less liquid markets and may experience greater price volatility, illiquidity and changes in value.
- FS Global Advisor, LLC and certain of its affiliates may experience conflicts of interest in connection with the management of FSCO.
- FSCO seeks to achieve its investment objectives by focusing on a limited number of opportunities across the investment universe.
- The global outbreak of COVID-19 and its variants (commonly known as the coronavirus) has caused volatility, severe market dislocations and liquidity constraints in many markets, including securities FSCO holds, and may adversely affect FSCO's investments and operations. Such impacts may adversely affect the performance of FSCO's investments and FSCO.
- The national and global political environment, including foreign relations and trading policies, as well as the impact of Russia's invasion of Ukraine and related sanctions, and potential retaliatory actions may adversely affect the performance of FSCO's investments and FSCO.
- Inflation increased substantially in 2022, and the Federal Reserve has raised interest rates several times to, among other things, control inflation, and has signaled that additional increases are likely in the future, which may adversely affect the performance of FSCO's investments and FSCO.
- We expect that the current market conditions may have a lasting and, in some instances, permanent impact on some of our portfolio companies as they struggle to meet covenant obligations and face insolvency in future periods. Poor performance or insolvency of our portfolio companies could have a material adverse impact on our financial condition and results of operations