

FS CREDIT OPPORTUNITIES CORP.

Notice to Stockholders on the Fund's Distribution

March 31, 2023

The Board of Directors of FS Credit Opportunities Corp. (“**FSCO**” or the “**Fund**”) (CUSIP Number: 30290Y101) announced a first quarter distribution of \$0.04945 per share to be paid on or about March 31, 2023, to stockholders of record as of March 24, 2023.

The information contained within this notice is an estimate based on the Fund’s year-to-date activity and source of distributions. The tax classification of distributions for a tax year (the Fund’s fiscal year) is dependent on the Fund’s taxable income for the full year. As such, the Fund will confirm the tax classification of distributions after the end of the tax year. Therefore, the Fund may recharacterize its distributions for the tax year due to subsequent events. The Fund reports to stockholders annually the actual tax character of its distributions for U.S. federal income tax purposes on Internal Revenue Service Form 1099-DIV, as appropriate, which is issued after the end of the tax year. The Fund also will include in its fiscal year 2023 SEC Form N-CSR information and on the Investor Relations section of the Fund’s website the components and tax treatment of all the Fund’s distributions for the fiscal year. Each stockholder should consult their tax advisor regarding this distribution notice.

For tax purposes, FSCO is a regulated investment company (“RIC”). Distributions received by a stockholder during 2023 are designated in accordance with Subchapter M of the Internal Revenue Code of 1986, as amended (“IRC”), as set forth below.

Ordinary Income Dividends: These distributions are from FSCO’s ordinary net investment income and short-term capital gains (if any). This type of distribution is reported on a stockholder’s tax return as ordinary income. Ordinary income distributions from a RIC do not qualify for the current maximum U.S. individual income tax 20% tax rate on dividend income from domestic corporations except to the extent the RIC received income in the form of qualifying dividends from domestic corporations.

To the extent FSCO receives qualifying dividends from corporations, the portion of the FSCO dividends that qualify for the U.S. individual qualified dividend income tax rate (currently maximum 20%) are included in the table below. For a stockholder who acquired or disposed of FSCO shares during 2023, qualified dividends reported may not be eligible for the qualified dividend income tax rate.

Capital Gain Distributions: Capital gain distributions (if any) arise from net long-term capital gains recognized by FSCO during the year. Due to capital loss carryforwards, FSCO does not expect to report capital gain distributions during 2023. If FSCO were to generate capital gains for distribution, this portion of distribution generally would qualify for exemption from U.S. withholding tax under Treas. Reg. §1.1441-3(c)(2).

Interest-related Dividends: FSCO generated qualified interest income (“QII” under IRC section 871(k)), which may be exempt from U.S. withholding tax when distributed to non-U.S. stockholders.

Excess Net Interest Income: FSCO generated excess net interest income under IRC section 163(j), which may be applicable for U.S. recipients of the Fund’s dividends.

Qualified Business Income: To the extent FSCO received dividends from REITs, that portion of FSCO’s dividend earned from REITs is qualified business income under IRC section 199A that may afford a lower effective tax rate on this portion of the Fund’s distributions.

Distributions reinvested through FSCO’s Dividend Reinvestment Plan (“DRP”) are treated, for U.S. federal income tax purposes, as if the distributions were received and taxed as if received in cash.

DETAILS OF DISTRIBUTION PAID ON OR ABOUT MARCH 31, 2023

The amounts shown in the tables below represent the estimated accounting of FSCO's 2023 distribution(s). The final amounts for the components of the distribution(s) are subject to change and will be made for year-end tax reporting.

This notice does not constitute tax, legal, investment, or other professional advice. This notice provides general information, and an investor should not rely upon it for tax advice purposes. This notice will not be updated for changes in tax rates or legislation.

If you have questions about the tax status of your distributions, please contact FSCO's investor relations department directly at (877) 628-8575.

Tax Rate Status of Distribution(s)						Ordinary Income per share	
Record Date	Ex-Dividend Date	Payable Date	Distribution Per Share	Return of Capital	Ordinary Tax Rate	Qualified Dividend Income Rate ^[1]	
03/24/23	03/23/23	03/31/23	\$ 0.04945	\$ -	\$ 0.0495		
			\$ 0.04945	\$ -	\$ 0.0495		

Additional Tax Status of Distribution(s)						
Record Date	Ex-Dividend Date	Payable Date	Distribution Per Share	871(k) Interest-Related Dividend ^[2]	163(j) Excess Net Interest Income ^[3]	199A Qualified Business Income per share ^[4]
03/24/23	03/23/23	03/31/23	\$ 0.0495	\$ 0.0375	89.12%	
			\$ 0.0495	\$ 0.0375		

1. FSCO designates these dividends as amounts eligible for treatment as qualified dividend income ("QDI") in accordance with IRC section 854(b) as well as eligible for the dividends received deduction available to certain U.S. domestic corporations. As such, the QDI amounts are taxed at qualified dividend income tax rate (maximum 20%). The QDI determination will be made for year-end tax reporting.

2. FSCO designates the above per share amounts of the total dividends by payment date as "interest-related dividends" within the meaning of IRC section 871(k). The final interest related dividends determination will be made for year-end tax reporting.

3. FSCO designates the above percentages of each of the total dividends by payment date as "excess net interest income" within the meaning of IRC section 163(j). The final excess net interest income amounts will be made for year-end tax reporting.

4. FSCO designates the above per share amount of the total dividends by payment date as "qualified business income" within the meaning of IRC section 199A. The qualified business income amounts will be made for year-end tax reporting.