

FSCO | FS Credit Opportunities Corp.

A dynamic credit strategy investing across public and private markets

Public markets

Event-driven investing in opportunities with catalysts for price appreciation (M&A, refinancing, debt maturities, earnings growth)

Performing credit

- High quality credits in out-of-favor sectors
- Opportunities created by dislocations
- Complex situations in primary markets
- Misunderstood or off-the-run credit

Special situations: Idiosyncratic stressed and distressed borrowers

Structured credit/CLOs

Portfolio snapshot

\$2B

Total AUM¹

9.22%

Annualized distribution yield on NAV²

63%

Floating rate assets³

82%

Senior secured debt⁴

1.2 years

Average duration⁵

Performance⁶ (as of 2/28/2023)

	YTD	1YR	3YR	5YR	Since 1/1/2018	Sharpe ratio since 1/1/2018 ⁷
FSCO (NAV)	3.14%	-7.55%	3.05%	3.74%	4.50%	0.30
Credit Suisse Leveraged Loan Index	3.21%	2.26%	3.71%	3.63%	3.77%	0.33
ICE BofAML U.S. High Yield Index	2.57%	-5.52%	1.14%	2.70%	2.55%	0.12
HFRX Event-Driven Index	1.35%	-5.12%	0.94%	0.52%	-0.02%	-0.25

Past performance is not indicative of future results. FSCO's returns are net of fees and expenses. All figures may be rounded. Returns shown are historical and based on past performance. The benchmarks are shown for illustrative purposes only. An investment cannot be made directly in an index.

1 Assets under management (AUM) is as of December 31, 2022.

2 Based on the Fund's net asset value as of February 28, 2023. The distribution yield is calculated by annualizing the ordinary distribution paid in February 2023 divided by the Fund's net asset value as of February 28, 2023.

3 Based on fair value as of December 31, 2022. Includes floating rate assets on a look-through basis within the FSCO's Asset Based Finance investments.

4 Based on fair value as of December 31, 2022. Senior secured debt includes first lien loans, second lien loans and senior secured bonds.

5 As of December 31, 2022. 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 1.2% rise in interest rates would equate to a 1.2% decline in FSCO's NAV and vice versa as rates fall.

6 Returns for periods greater than one year are annualized. Returns assume distributions 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.

7 Sharpe ratio is a measure that indicates the average return minus the risk-free return divided by the standard deviation of return of an investment.

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 distributions, 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 distributions.

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.

Investment Management team

- FS Liquid Credit & Special Situations team, led by Andrew Beckman and Nick Heilbut, assumed full management of FSCO in January 2018
- Ten investment professionals with more than 17 years average experience investing through five credit cycles
- Benefits from the resources, relationships and infrastructure of FS Investments, a \$35+ billion alternative asset manager⁸
- \$1.6 billion transaction volume over last 12-months with \$554 million in originated and primary purchases and \$1.02 billion in secondary purchases

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Investment professionals

17+

Average years experience

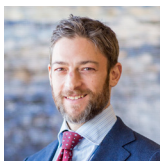
300+

Investments made since 2018



Andrew Beckman, Head Portfolio Manager

27 years experience



Nick Heilbut, Portfolio Manager, Director of Research

25 years experience



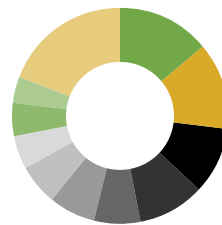
Portfolio highlights⁹

Asset type



Senior secured loans—1st lien	56%
Senior secured loans—2nd lien	10%
Senior secured bonds	16%
Subordinated debt	5%
Asset-based finance	6%
Equity/other	7%

Industry



Health Care Equipment & Services	14%
Consumer Services	13%
Commercial & Professional Services	10%
Capital Goods	10%
Diversified Financials	7%
Energy	7%
Retailing	6%
Pharmaceuticals, Biotechnology & Life Sciences	5%
Automobiles & Components	5%
Transportation	4%
Other	19%

Key facts

Adviser	FS Global Advisor, LLC
Inception date	December 12, 2013
Net asset value¹⁰	\$6.33
Total assets under management⁹	\$2 billion

Portfolio companies	85
Distribution frequency¹¹	Monthly
Tax reporting	Form 1099-DIV
Structure	Closed-end fund

⁸ AUM is as of September 30, 2022.

⁹ Based on fair value as of December 31, 2022.

¹⁰ As of February 28, 2023. FSCO's net asset value (NAV) per common share as of the date indicated is the NAV determined by FSCO for purposes of complying with the requirements of Section 23(b) of the Investment Company Act of 1940, as amended, and has not been approved by FSCO's board of directors. FSCO's NAV per common share may increase or decrease in the future and any such change may be material.

¹¹ The payment of future distributions on 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 distributions.

FSCO highlights

Scaled portfolio	<ul style="list-style-type: none"> \$2 billion in total assets, ranking as of one the largest credit-focused closed-end funds in the market¹²
Differentiated strategy	<ul style="list-style-type: none"> Flexibility to invest across private and public credit markets through changing economic cycles and market conditions Defensively oriented: 82% senior secured debt,¹³ 56% first lien debt,¹³ low average duration¹⁴ and 63% floating rate assets¹⁵
Competitive distribution	<ul style="list-style-type: none"> 9.22% annualized distribution yield on NAV¹⁶ Net investment income has averaged 119% of monthly distributions since January 1, 2018
Track record	<ul style="list-style-type: none"> Outperformed high yield bonds by 195 bps and loans by 73 bps per year since January 1, 2018¹⁷
Closed-end fund structure	<ul style="list-style-type: none"> Ability to hold higher allocation of less liquid and private assets compared to daily liquid funds not forced to meet redemptions

Past performance is not a guarantee or a reliable indicator of future results.

Direct listing considerations

Phased approach to listing: Shareholders will be able to trade their shares based on a phased approach to liquidity, which is intended to help ease the anticipated down pressure on FSCO's share price in the period shortly following the listing.

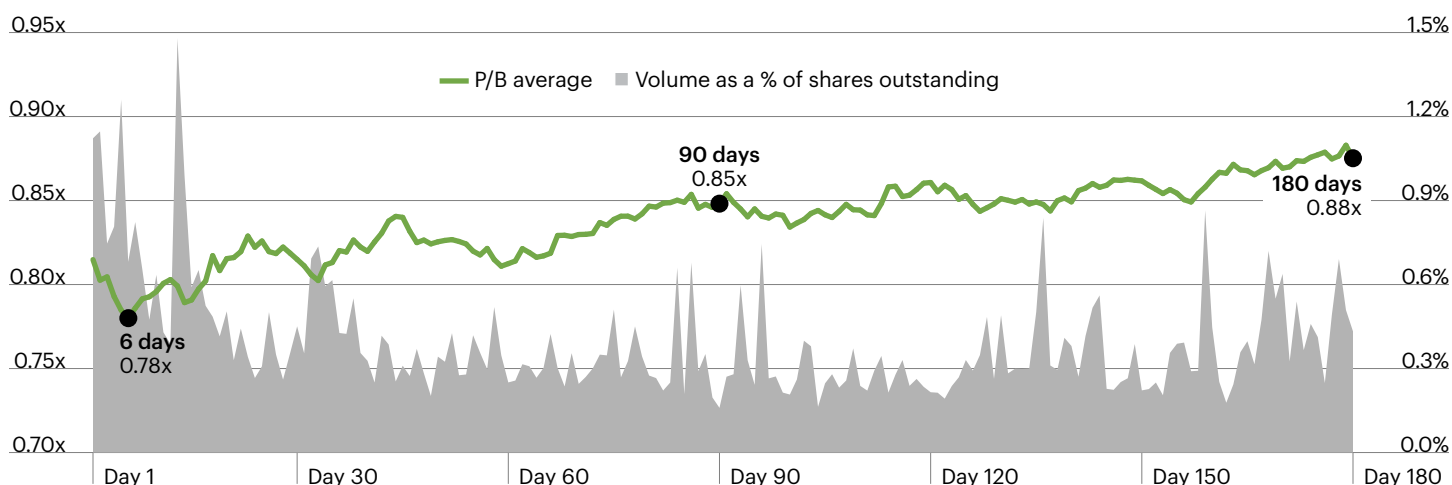
- **At listing:** 1/3 of shares held by all shareholders available for trading
- **90 days post listing:** An additional 1/3 of shares held by all shareholders available for trading
- **180 days post-listing:** The final 1/3 of shares held by all shareholders available for listing

Potential for supply/demand imbalance: When reviewing prior direct listings, there has been a tendency for shareholders to sell their shares in the period immediately following the listing, resulting in downward pressure on stock prices (see the chart below).

Historical direct listings in perspective

Price-to-book value (indexed)

Daily trading volume as % of shares outstanding



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).

For illustrative purposes only. Historical performance is not a guarantee or a reliable indicator of future results. Public listings are subject to current market and economic conditions which can impact performance.

¹² AUM as of December 31, 2022. Based on fair value.

¹³ Based on fair value as of December 31, 2022. Senior secured debt includes first lien loans, second lien loans and senior secured bonds.

¹⁴ As of February 28, 2022. 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.

¹⁵ Based on fair value as of December 31, 2022. Includes floating rate assets on a look-through basis within the FSCO's Asset Based Finance investments.

¹⁶ Based on the Fund's net asset value as of February 28, 2023. The distribution yield is calculated by annualizing the ordinary distribution paid in February 2023 divided by the Fund's net asset value as of February 28, 2023.

¹⁷ As of February 28, 2023. High yield bonds are represented by the ICE Bank of America Merrill Lynch U.S. High Yield Bond Index. Loans are represented by the Credit Suisse Leveraged Loan Index.

Cautionary Statement Concerning 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 distributions 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 distributions will be distributed after payment of fees and expenses, as well as the sales load.
- FSCO's previous distributions 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 distributions may be funded from such waivers, reimbursements or payments. Significant portions of these distributions 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 distributions would have come from offering proceeds or borrowings. The repayment of any amounts owed to FS Investments will reduce the future distributions 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.
- 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.