

Saratoga Investment Corp.

**Fiscal First Quarter 2023
Shareholder Presentation**

July 7, 2022



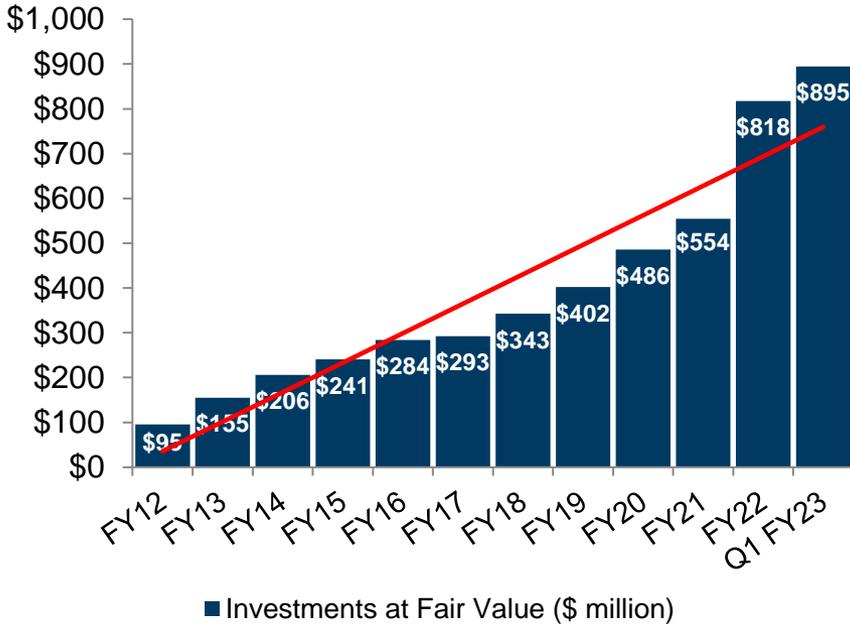
Continued Growth and Strong Long-Term Performance

Fiscal First Quarter 2023 Highlights:

- Continued high quality portfolio and strong performance
 - Investment quality remains strong
 - 95.0% of loan investments with highest internal rating and only one non-accrual
 - Return on equity of 6.9% for LTM
 - Net realized gains and unrealized depreciation of \$9.2 million for Q1, includes \$8.6 million unrealized depreciation reflecting broadly syndicated loan volatility and lack of trading liquidity in CLO and JV investments
 - Gross Unlevered IRR of 12.0% on total unrealized portfolio as of May 31, 2022
 - Fair value of \$894.5 million is 1.4% above total cost of portfolio
 - Gross Unlevered IRR of 16.3% on \$768.7 million of total realizations
- Consistent strong long-term originations contribute to growing assets under management
 - AUM up 9% since year-end and up 32% year-over-year, with originations of \$97.2 million in Q1, resulting from strong pipeline and healthy success in term sheets and deals executed
- Base of liquidity and capital remains strong
 - Quarter-end pro forma liquidity allows growth of AUM by 14% and is mostly long-term
 - \$102 million is cash, or \$58 million on a pro forma basis including the pending repayment of “SAK” baby bond
 - New \$97.5 million 6.0% 2027 baby bond issued on April 27, 2022 with “SAT” ticker
 - \$43.125 million in aggregate principal amount of “SAK” Notes to be redeemed on July 14, 2022
- Declared dividend of \$0.53 per share for the quarter ended May 31, 2022, paid on June 29, 2022
- Key performance indicators for Q1 - Adjusted NII of \$6.4 million, Adjusted NII per share of 53c, LTM ROE of 6.9% and NAV per share of \$28.69

Continued Asset Growth and Strong Credit Quality

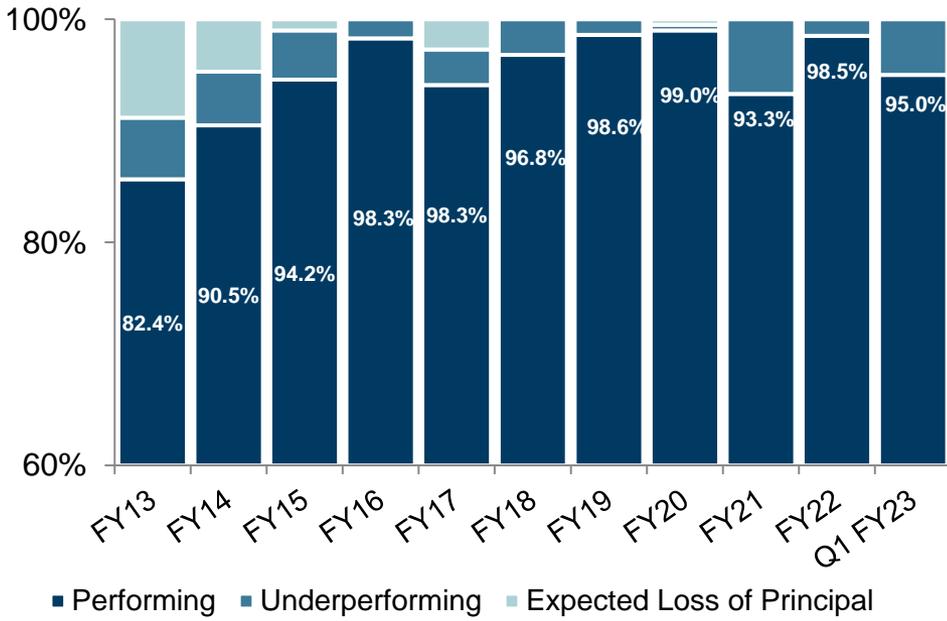
Asset Base Expansion Trend



Fair value of AUM increased 9% since last quarter and 32% year-over-year

Fair value of \$895m at Q1 FY23 is 1.4% above cost

Overall Credit Quality Remains Strong



95.0% of our SAR loan investments hold our highest internal rating, down from 98.5% last quarter; one investment on non-accrual at quarter-end*

* Excludes our investment in our CLO and our equity positions

Q1 FY23: Strong Financial Foundation and Momentum

Key Performance Metrics for the Fiscal Quarter

For the quarter ended and as of (\$ in millions except per share)	May 31, 2021	Feb 28, 2022	May 31, 2022
Net investment income	\$2,556	\$5,797	\$7,976
Adjusted net investment income*	\$6,254	\$6,354	\$6,432
Net investment income per share	\$0.23	\$0.48	\$0.66
Adjusted net investment income per share*	\$0.56	\$0.53	\$0.53
Net investment income yield	3.3%	6.6%	9.1%
Adjusted net investment income yield*	8.0%	7.3%	7.3%
Return on Equity – Last Twelve Months	19.4%	13.9%	6.9%
Fair value of investment portfolio	\$677.8	\$817.6	\$894.5
Total net assets	\$320.3	\$355.8	\$345.2
Investments in new/existing portfolio companies	\$119.2	\$164.3	\$97.2
Loan Investments held in “Performing” credit ratings	93.0%	98.5%	95.0%



*Adjusted for accrued capital gains incentive fee expense and interest expense on SAK baby bond during the period that SAT baby bond was issued and outstanding prior to repayment of SAK, reconciliation to GAAP net investment income, net investment income per share and net investment income yield included in our fiscal first quarter 2023 earnings release.

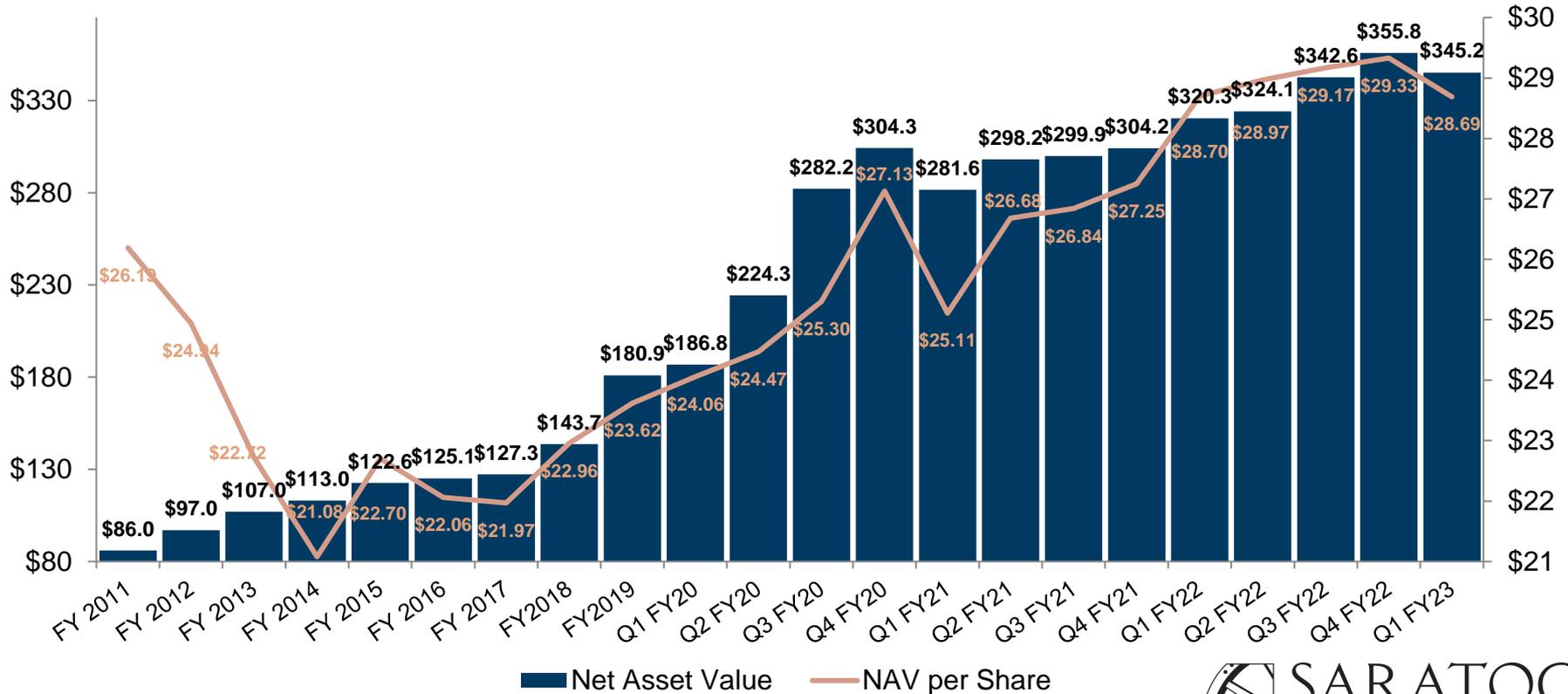
Long-Term Accretive NAV and NAV Per Share Growth

Net Asset Value and NAV per Share (FY11 to Q1FY23)

NAV: 3% decrease this quarter. 301% increase since Saratoga took over management.

NAV/Share: 2% decrease this quarter. Unchanged year-over-year. 31% increase since FY17 with increases 17 of the last 20 quarters.

(in millions)



Quarterly Reconciliation of NII and NAV per Share

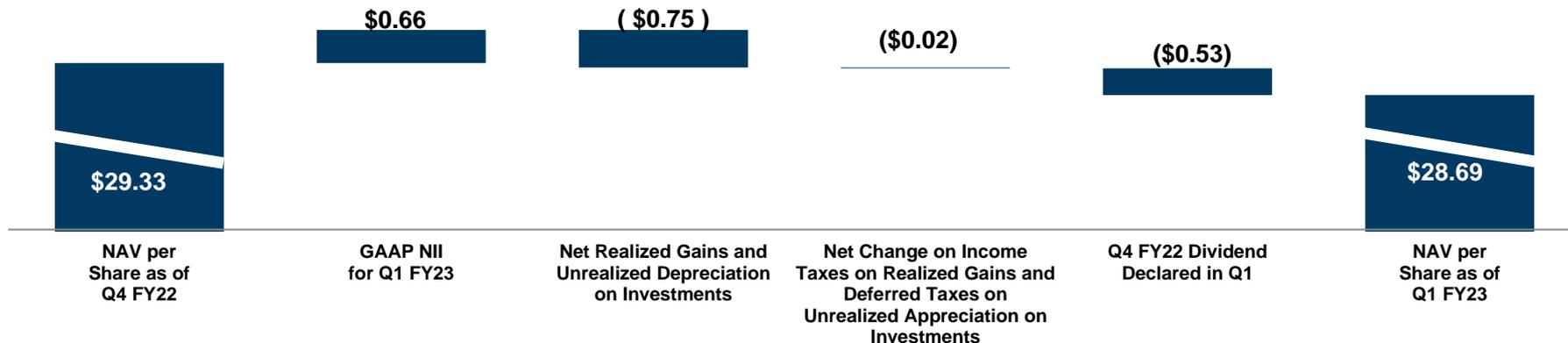
Reconciliation of Quarterly Adjusted NII per Share

- Impacts are shown net of incentive fee
- Zero net accretion/dilution from share repurchase plan, DRIP and ATM equity offering.



Reconciliation of Quarterly NAV per Share

- Zero accretion/dilution from share repurchase, DRIP and ATM offering plan



Dry Powder Remains Available

(As of May 31, 2022)		Total Borrowing Capacity	Outstanding	Available Liquidity	Remaining Maturity Period	Fixed / Floating Rate
Secured Revolving Credit Facility		\$50.0 million	\$25.0 million	\$25.0 million	2.5 Years	Floating
SBA Debentures	SBIC I	\$86.0 million	\$86.0 million	\$0.0 million	2-6 years	Fixed
	SBIC II	\$175.0 million	\$131.0 million	\$44.0 million	8-10 years	Fixed
Publicly-Traded Notes (at par value)	SAK*	\$43.1 million	\$43.1 million	\$0.0 million	3.5 Years	Fixed
	SAT	\$97.5 million	\$97.5 million	\$0.0 million	5 Years	Fixed
Unsecured Notes		\$250.0 million	\$250.0 million	\$0.0 million	4-5 years	Fixed
Private Notes (at par value)		\$20.0 million	\$20.0 million	\$0.0 million	3-5 Years	Fixed
Cash and Cash Equivalents		\$101.5 million	\$101.5 million	\$101.5 million	-	-

Total Available Liquidity (at quarter-end): \$ 170.5 million

Ability to grow AUM by 14% without any new external financing as of May 31, 2022 (net of SAK repayment)

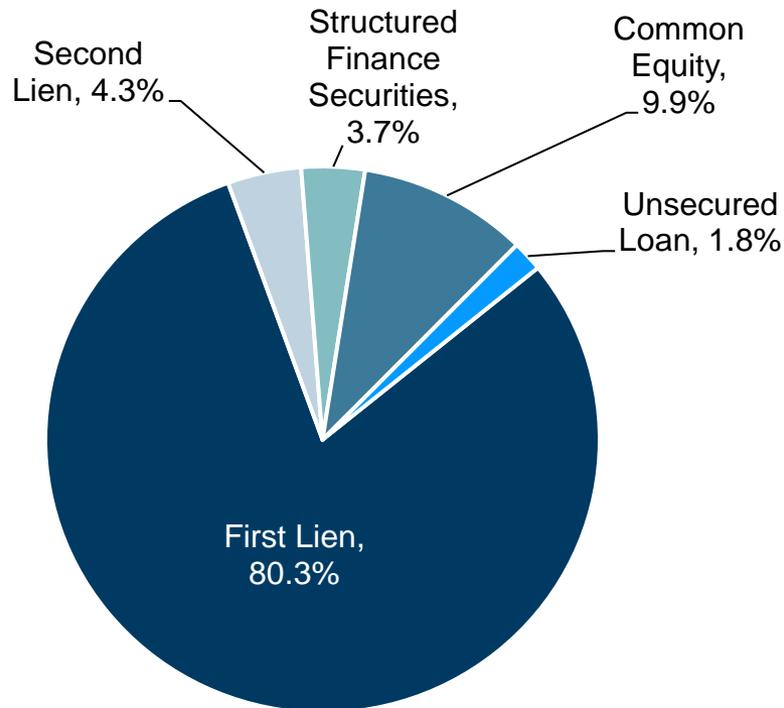
- \$44.0m of SBIC II debentures currently available and undrawn on \$87.5m of capital for new and existing SBIC II investments. SBIC II debentures are generally not available to support existing BDC or SBIC I investments

*Exercised option to redeem 7.25% Notes due 2025 (NYSE: SAK) on July 14, 2022

Portfolio Composition and Yield

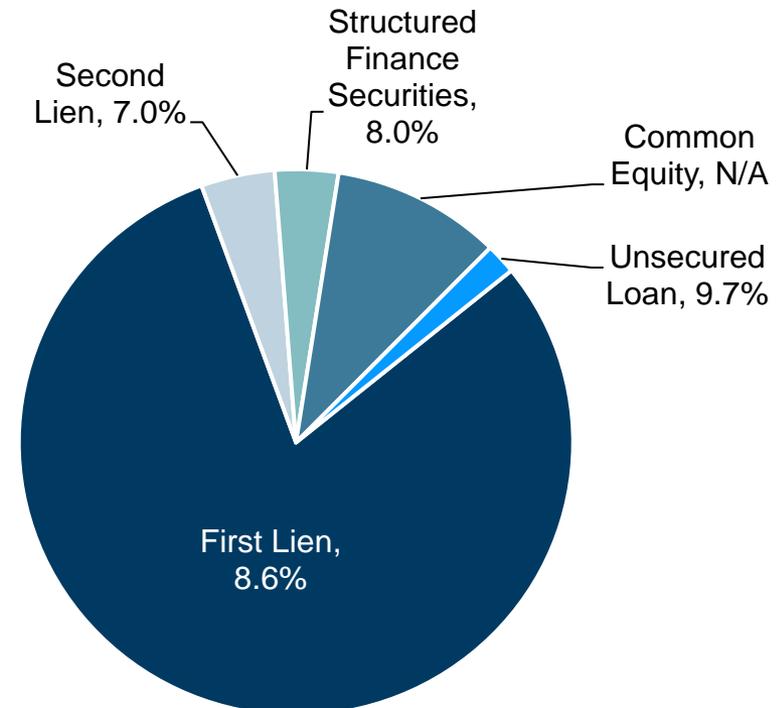
Portfolio Composition – \$894.5 m

(Based on Fair Values
as of May 31, 2022)



Portfolio Yield – 7.7%

(Weighted Average
Current Yield of Existing Portfolio)

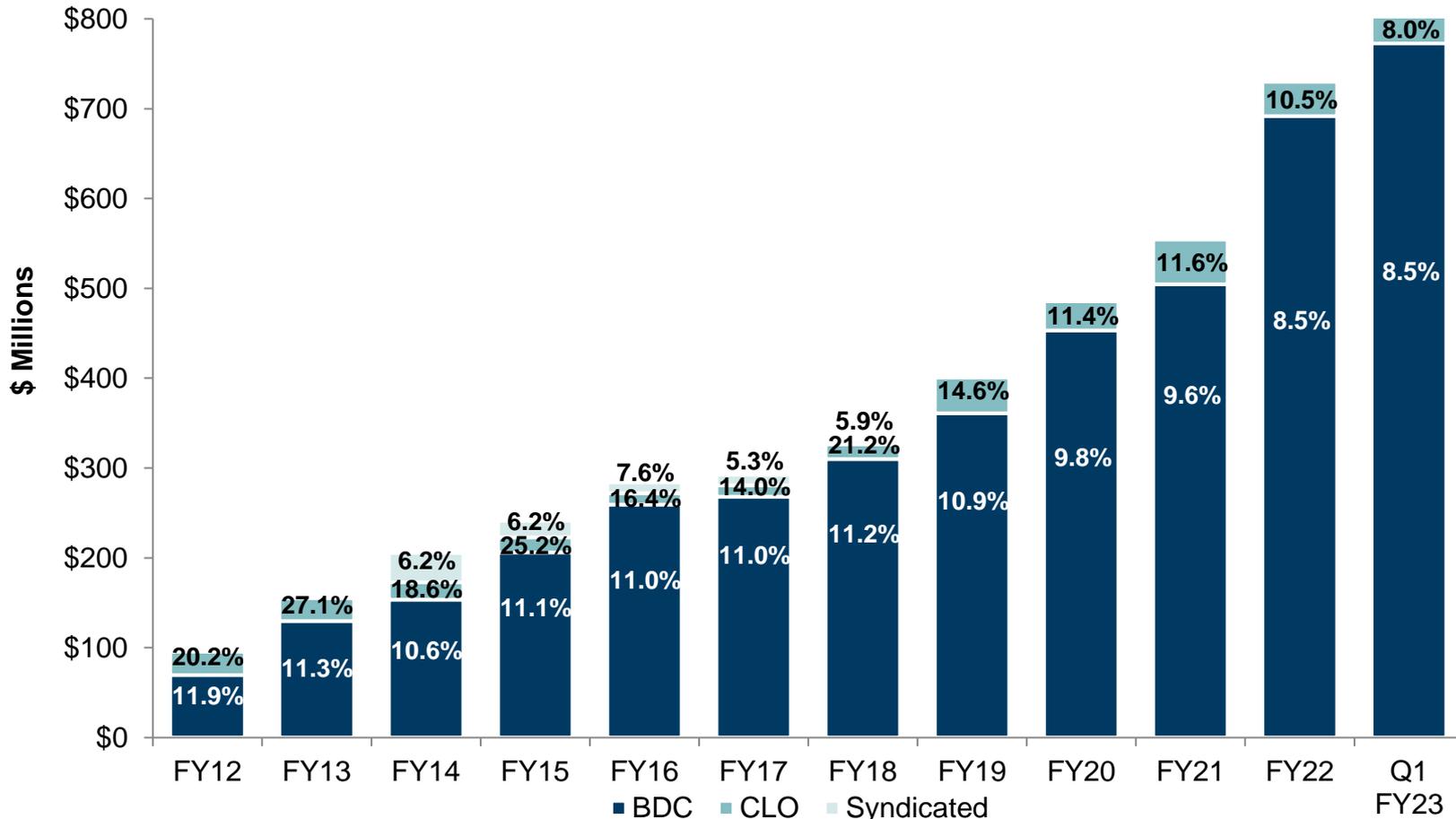


Yield of BDC Will Grow With Rising Rates

Weighted Average Current Yields

13.4%	14.0%	11.8%	11.8%	11.1%	10.8%	11.1%	10.7%	9.3%	9.1%	7.7%	7.7%
-------	-------	-------	-------	-------	-------	-------	-------	------	------	------	------

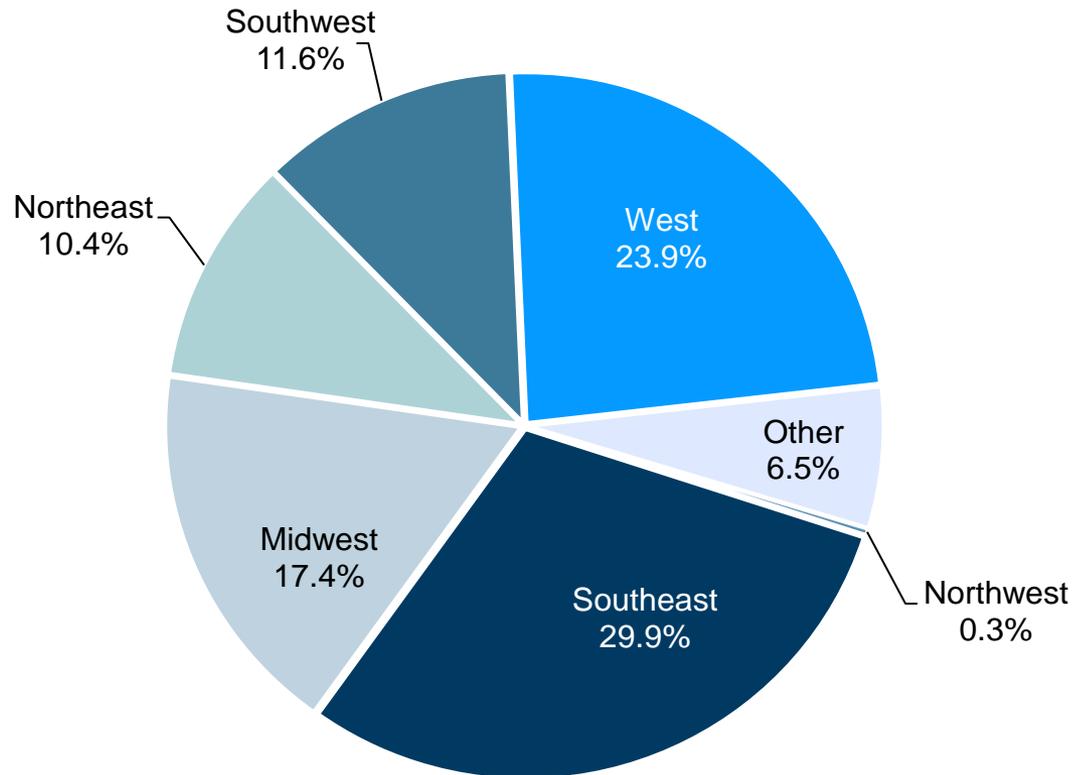
Annual Totals*



* Annual total yields on full portfolio. Excludes dividend income on preferred equity investments and other income. BDC, CLO and Syndicated yields are annualized and calculated on fair value of interest earning assets.

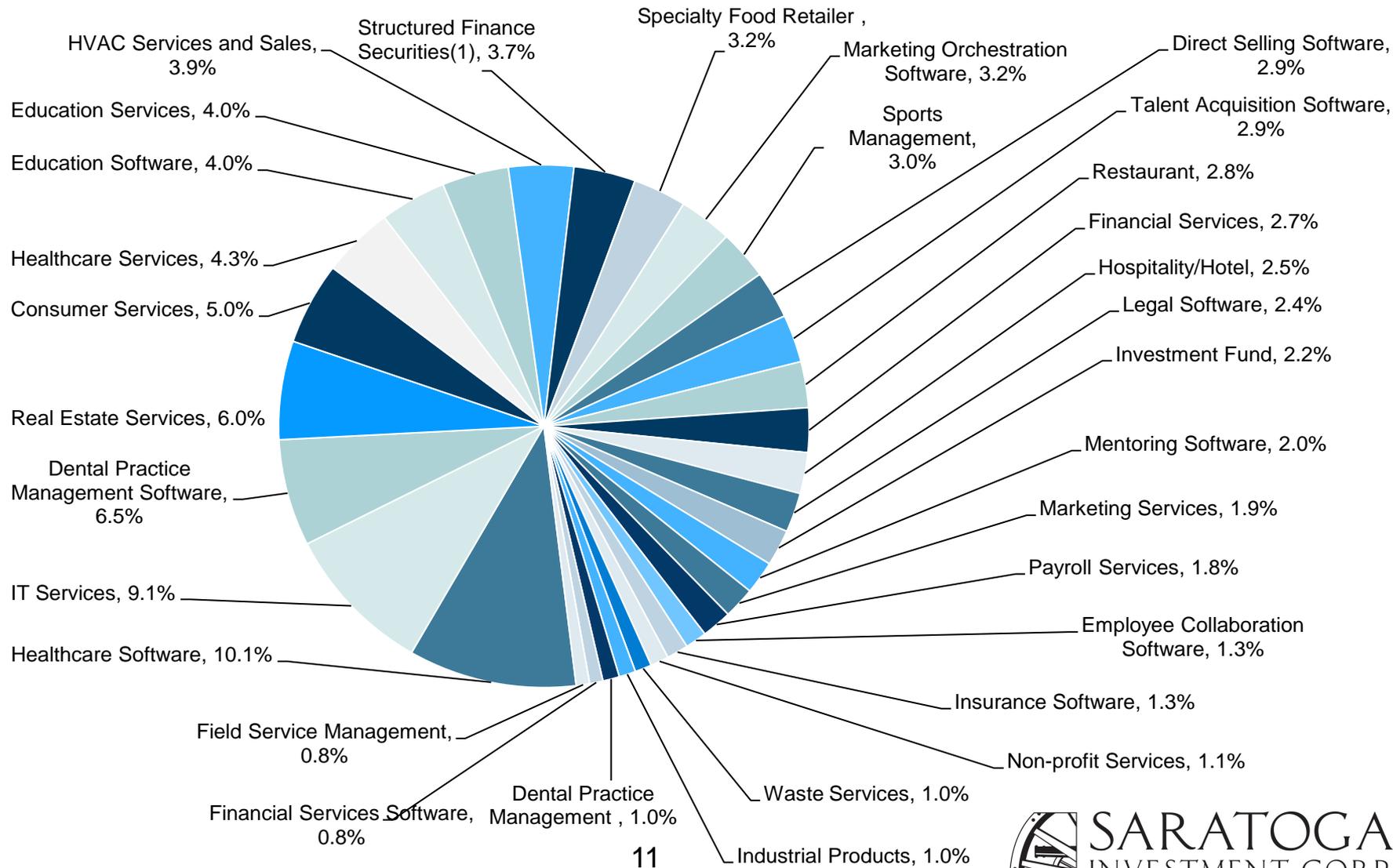
Diversified Across Geography

Investments Diversified Geographically



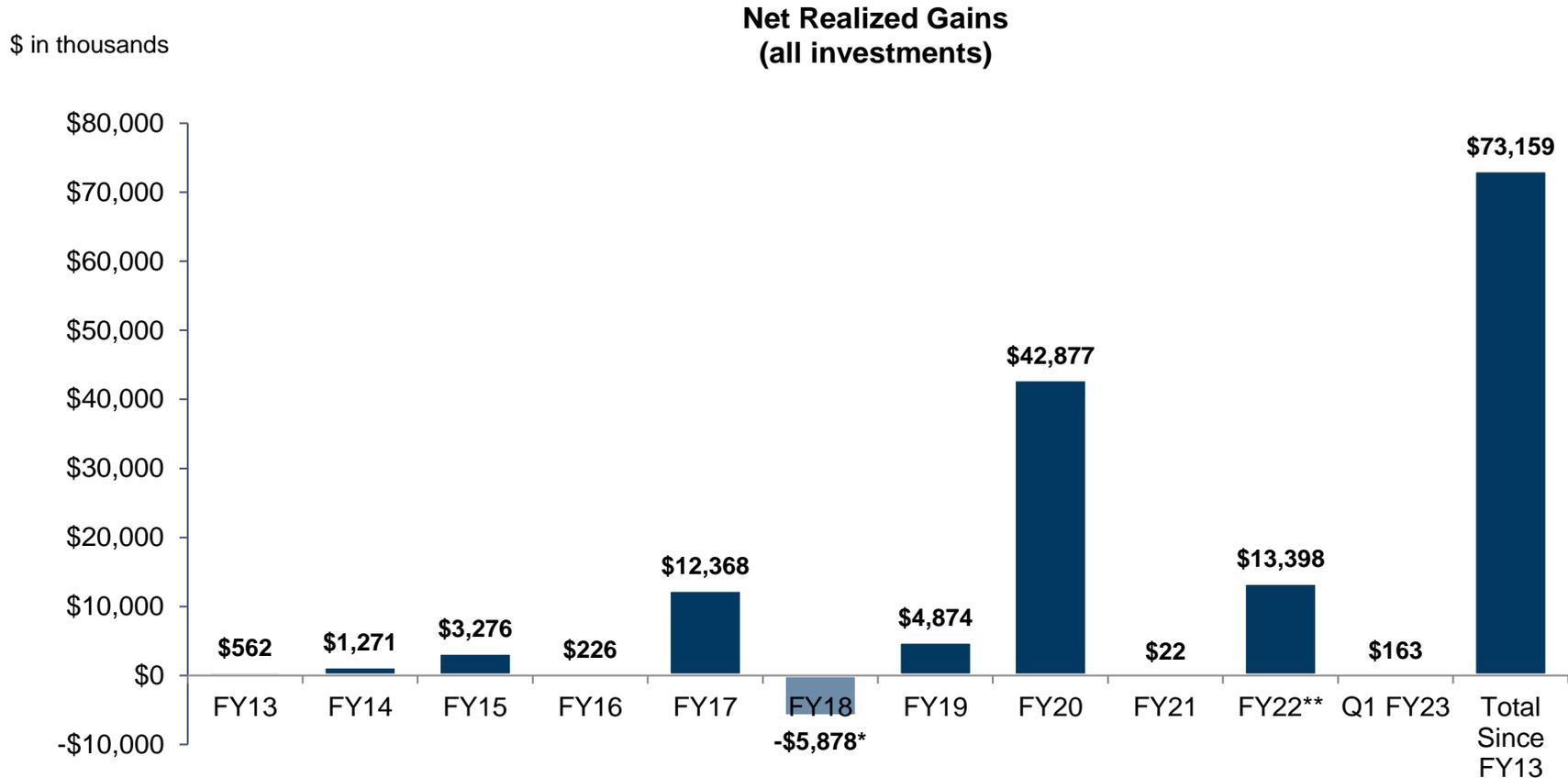
Diversified Across Industry

Investments across 38 distinct industries



Net Realized Gains Help Protect Shareholder Capital

Cumulative net realized gains reflect portfolio credit quality



* Reflects realized loss on My Alarm Center investment of \$7.7m less \$1.8m in other realized gains in FY18.

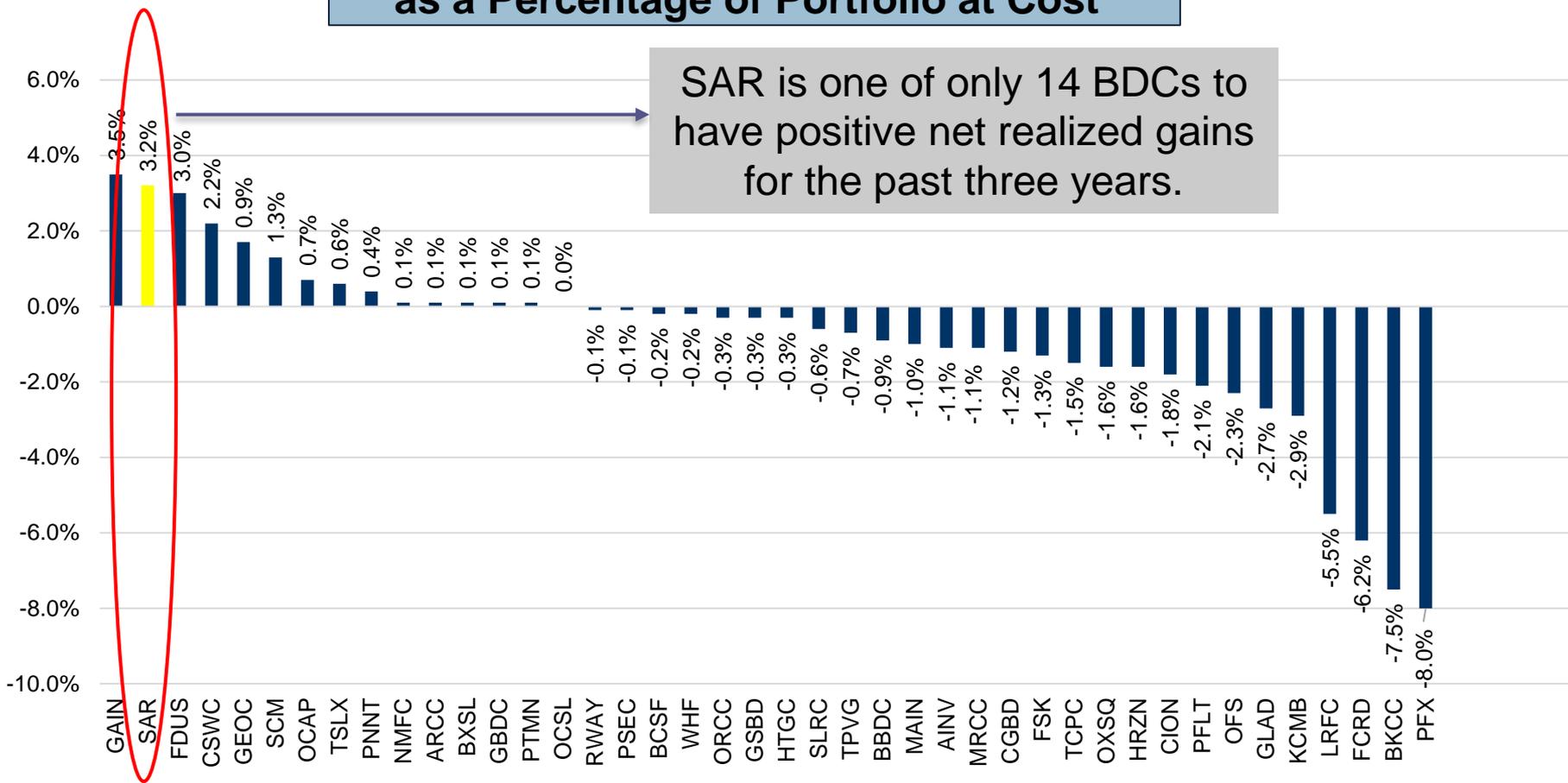
** Reflects realized gains of \$18.3m on various equity investments in FY22, offset by full \$4.9m write-down of remaining My Alarm Center investment.

Table above reflects investments originated by Saratoga management (excludes Elyria legacy investment)

Strong Net Realized Gains Flow from Disciplined Underwriting

**Last 3 Year Average Realized Gains (Loss)
as a Percentage of Portfolio at Cost***

SAR is one of only 14 BDCs to have positive net realized gains for the past three years.

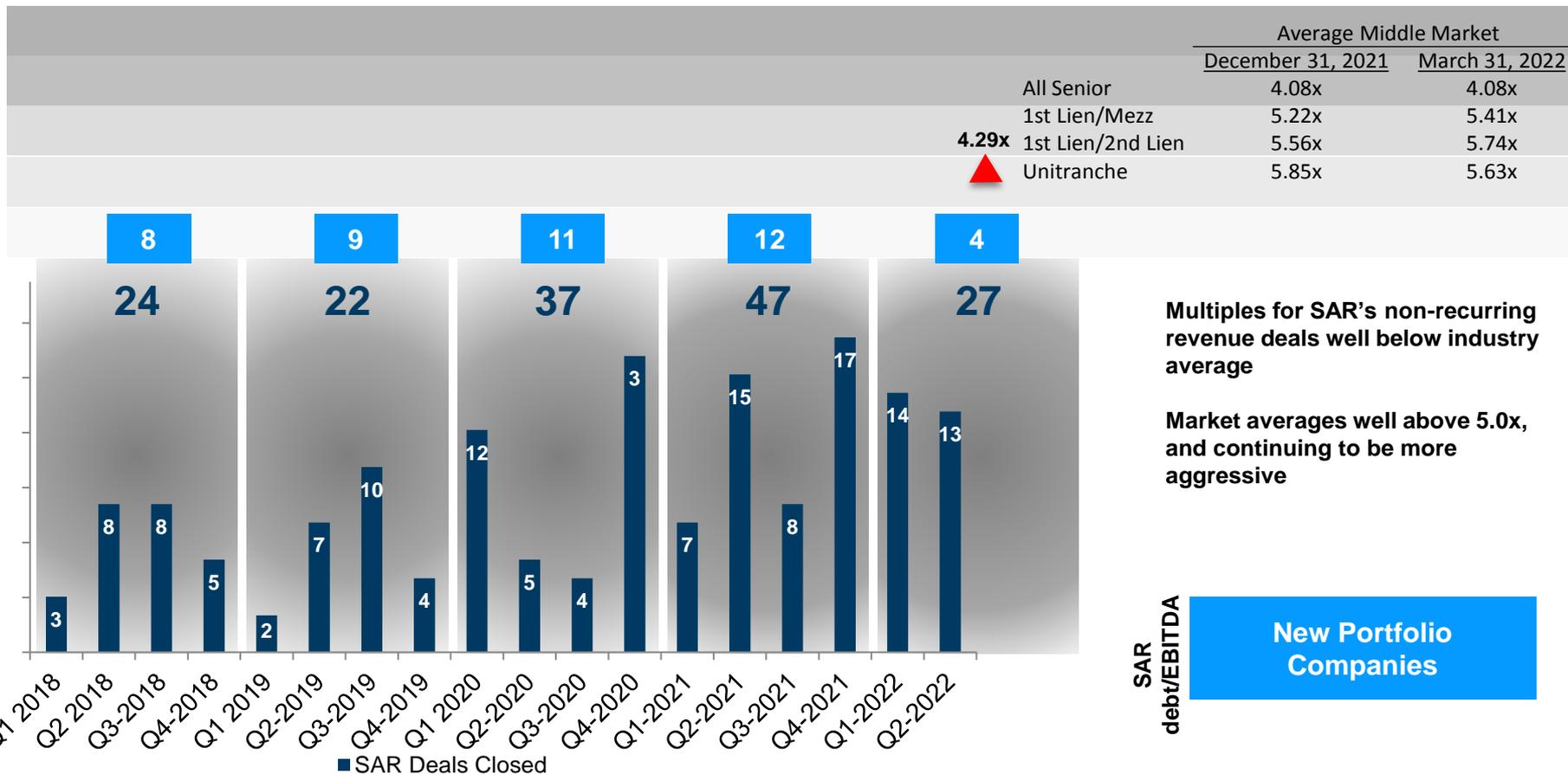


*Source: Ladenburg Thalmann - calculated as three year average realized gains as proportion of average cost
SAR data excludes legacy investments not originated by Saratoga management

Exercising Disciplined Investment Judgment While Growing Origination Pace

SAR Debt Multiples/Deals Closed (2018-2022)

Portfolio leverage with non-recurring revenue underwriting is 4.29x¹



Multiples for SAR's non-recurring revenue deals well below industry average

Market averages well above 5.0x, and continuing to be more aggressive

SAR debt/EBITDA

New Portfolio Companies

*Calendar quarters, not fiscal

¹Excludes 25 loans underwritten using recurring revenue metrics. These recurring revenue loans would have significantly different portfolio leverage statistics.

*8 of the 37 deals closed in calendar year 2020 were liquidity draws related to COVID. 14

Pipeline Growth Interrupted by COVID-19

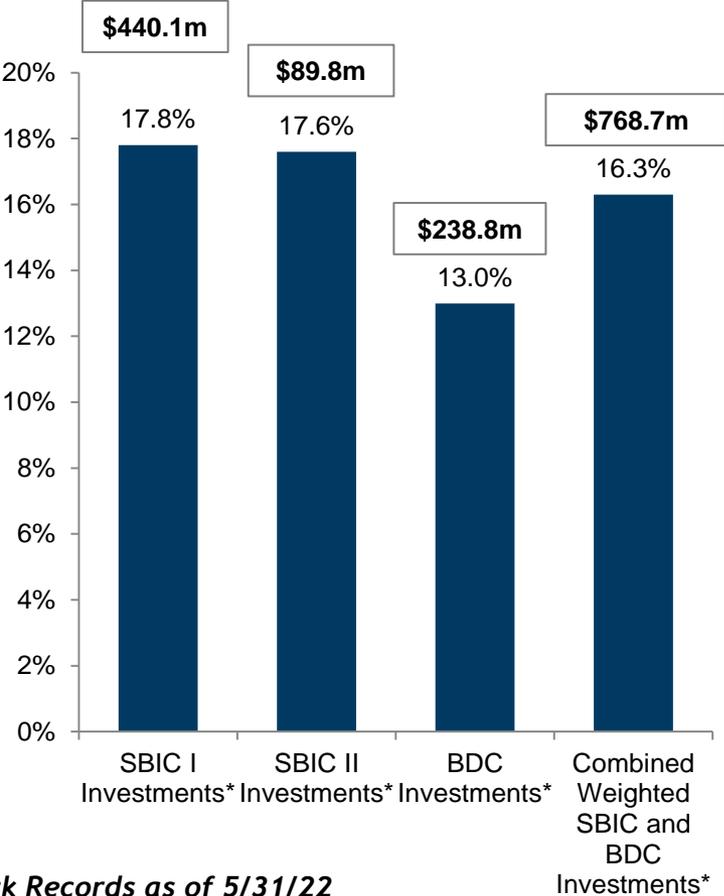
New business opportunities severely impacted by COVID-19 but healthy success in term sheets and deals executed driven by investments in team and strong reputation

Calendar*	2018	Δ	2019	Δ	2020	Δ	2021	Δ	LTM Q2 2022	◇	Q1-Q2 2021	Δ	Q1-Q2 2022	
Deals Sourced	846	2%	863	-28%	619	-8%	572	-6%	539	◇	318	-20%	255	<ul style="list-style-type: none"> •~78% of deal flow from private equity sponsors •~22% of deals from private companies without institutional ownership •Saratoga maintains investment discipline which is demonstrated by passing on many deals that other firms close
Term Sheets (excludes follow-ons)	73	5%	77	-58%	32	109%	67	-30%	47	◇	28	-43%	16	<ul style="list-style-type: none"> •~87% of term sheets are issued for transactions involving a private equity sponsor •Being more selective in issuing term sheets based on credit quality
Deals Executed (new and follow-on)	24	-8%	22	32%	29	62%	47	13%	53	◇	23	17%	27	<ul style="list-style-type: none"> •Includes follow-on investments which reliably augment portfolio growth •2020 and 2021 deals executed exclude COVID related liquidity draws
New portfolio companies	8		9		11		12		10	◇	7		4	<ul style="list-style-type: none"> •Ten new portfolio companies during LTM Q2 2022 •Saratoga new portfolio company investments average ~ 2% of deals reviewed

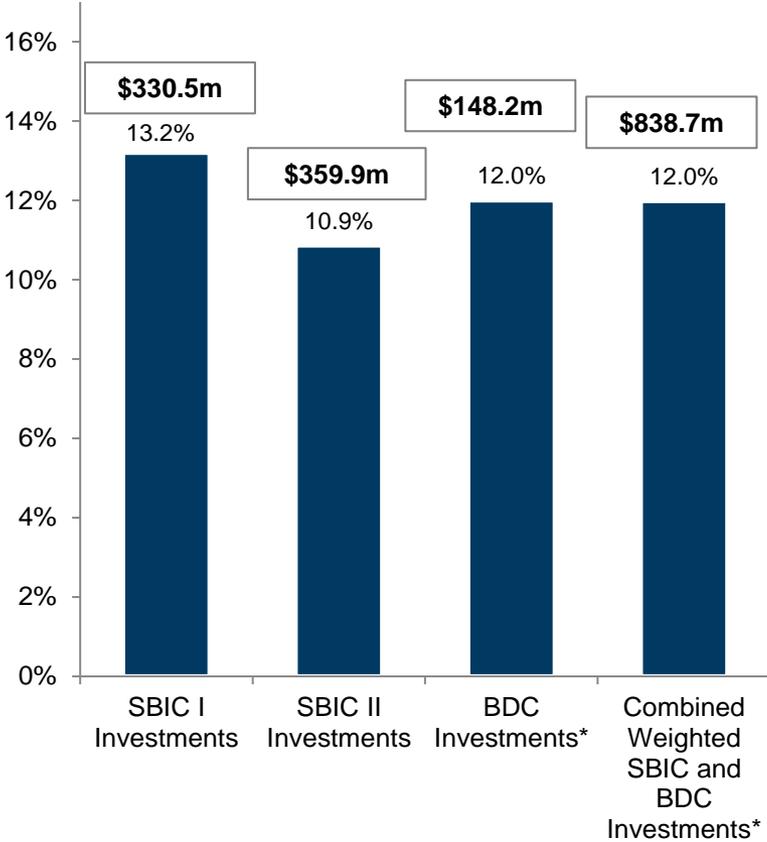
*Calendar quarters, not fiscal quarters.

Demonstrated Strong Track Record

Realized Investments
(Gross Unlevered IRR%)



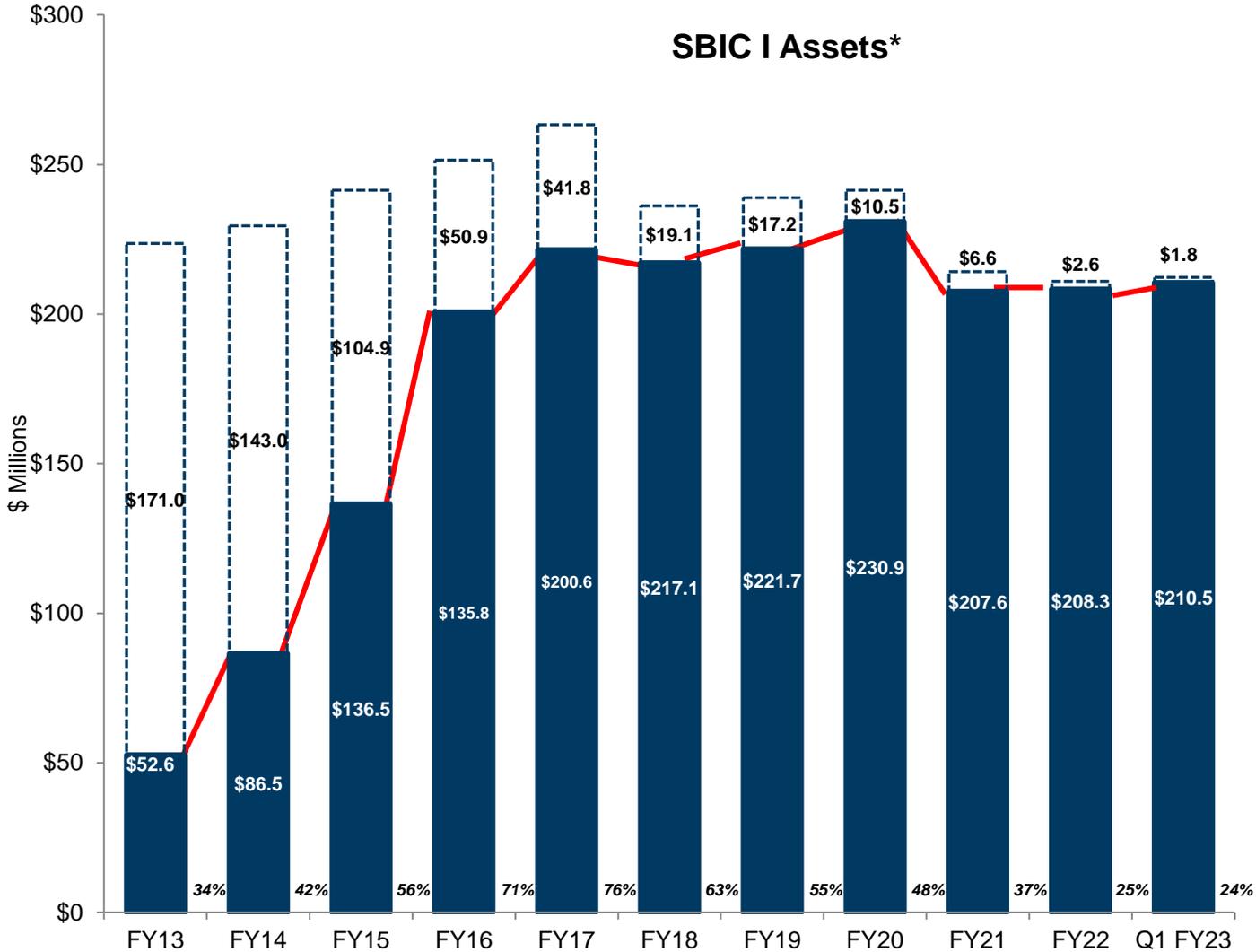
Unrealized Investments ¹
(Gross Unlevered IRR%)



Track Records as of 5/31/22

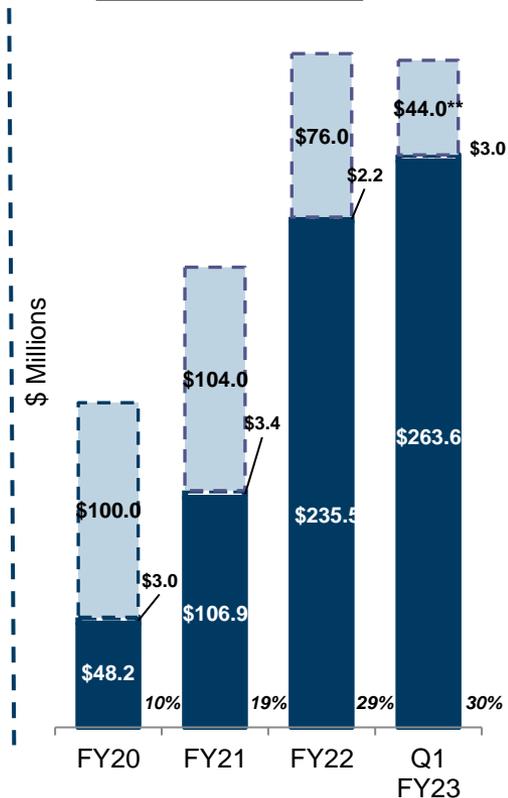
¹ IRRs for unrealized investments include fair value and accrued interest as of 5/31/2022
 * SBIC I and SBIC II investments represent all investments in the specific funds, including later follow-ons that might be invested in the BDC due to SBIC fund size limitations. BDC investments exclude investments existing when Saratoga management took over, corporate financing investments and our investments in our CLO and JV.

SBIC I Fully Funded - SBIC II Still Available



SBIC second license provided \$103m, \$107m, \$78m and \$47m of available capacity in FY20, FY21, FY22 and Q1FY23 respectively (debt and equity at 2:1 leverage)

SBIC II Assets*

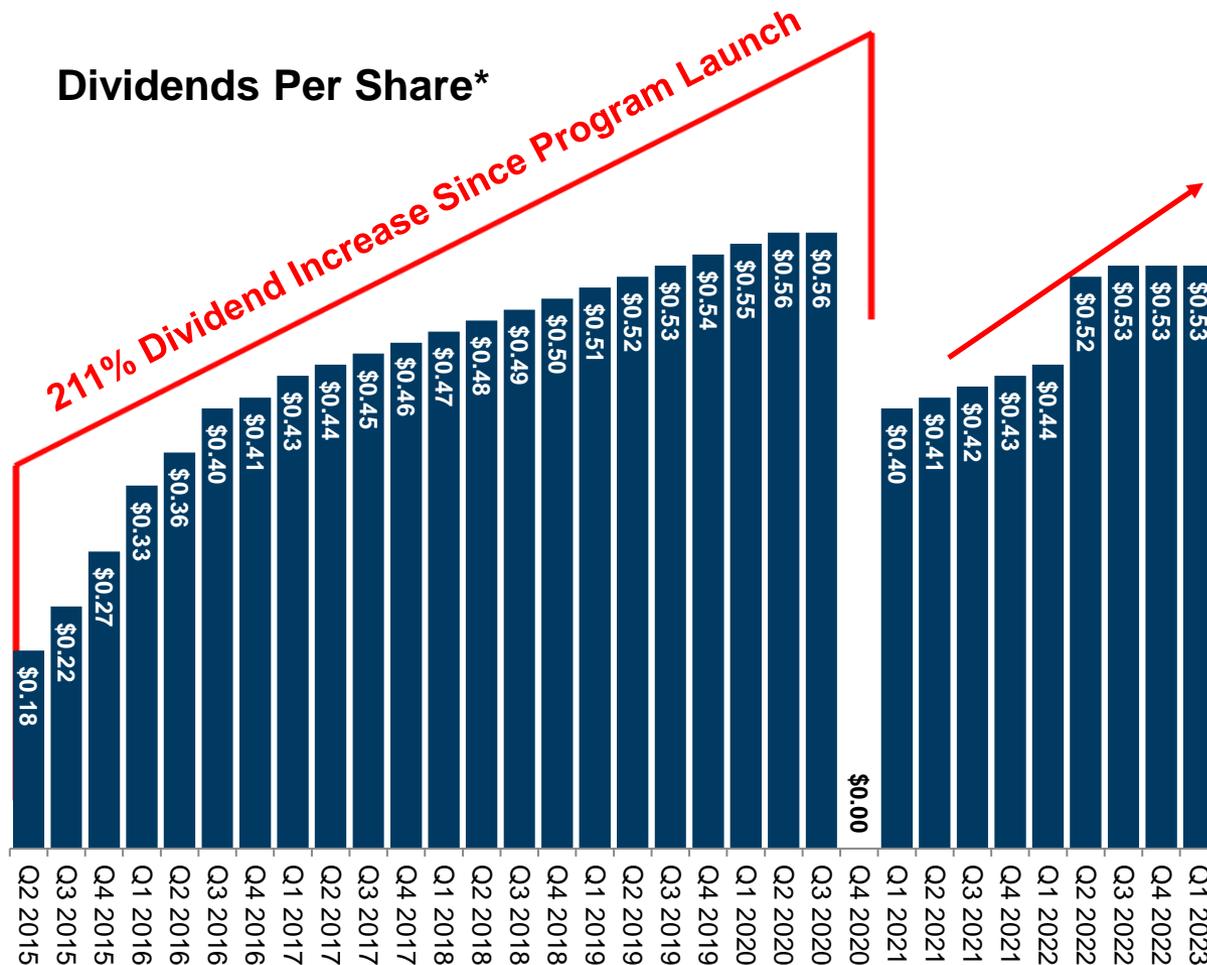


* At Fair Value for SBIC I and II assets

** Represents current debenture capacity based on \$87.5m capital in SBIC II

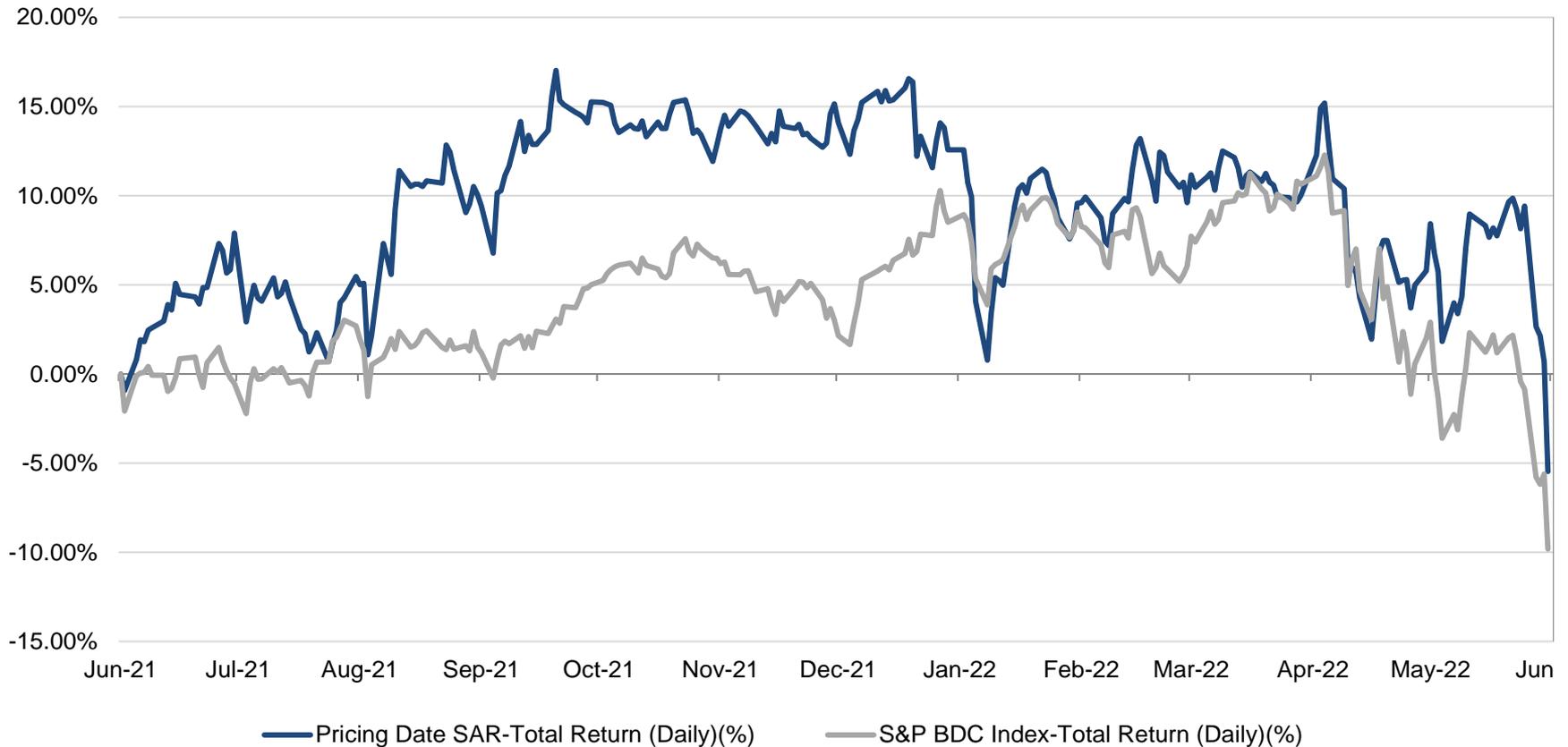
Long-Term Dividend Growth

- Established dividend policy to pay regular quarterly cash dividends to stockholders pursuant to dividend reinvestment plan (“DRIP”) in 2014
- Increased dividend by 211% since program launch until last year-end deferral
- Increased dividend by 20% over past year with six sequential quarter increases
- Q1 FY23 dividend of \$0.53 declared and paid for the quarter ended May 31, 2022



SAR LTM Total Return Outperforms BDC Index

LTM Total Return (%)
(June 2021 to June 2022)
SAR -3% v BDC Index -9%

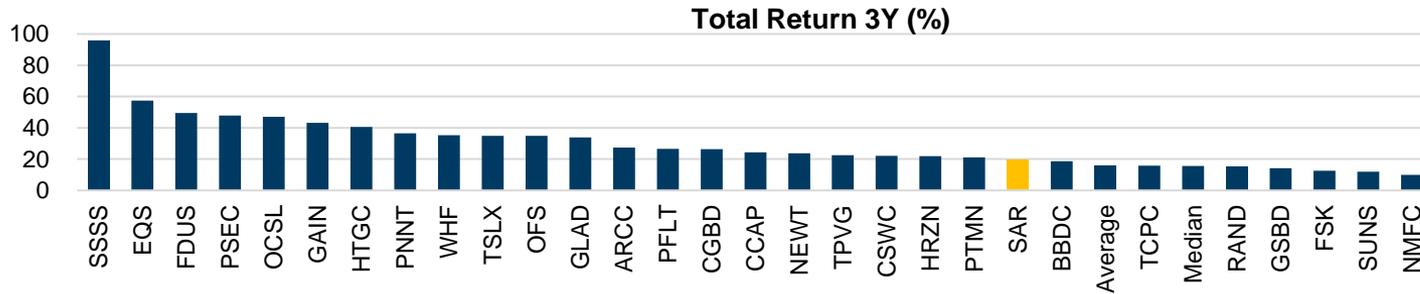


Long-Term Performance at Top of BDC Industry

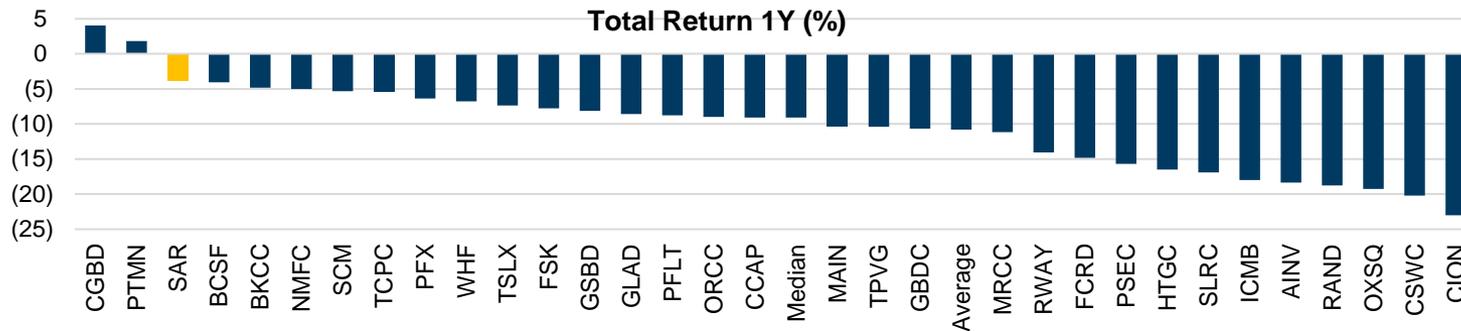
BDC Total Return (%)



**Last 5 years:
61%**



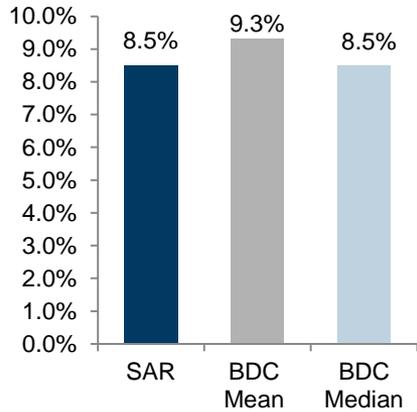
**Last 3 years:
20%**



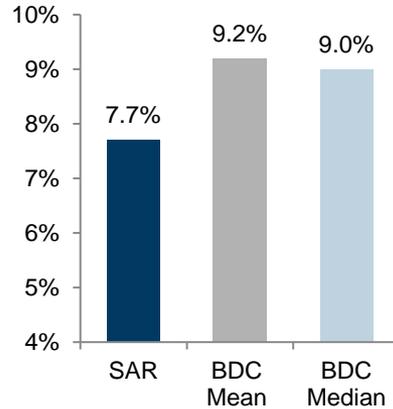
**Last 12 months:
-3%**

Solid Long-Term Performance

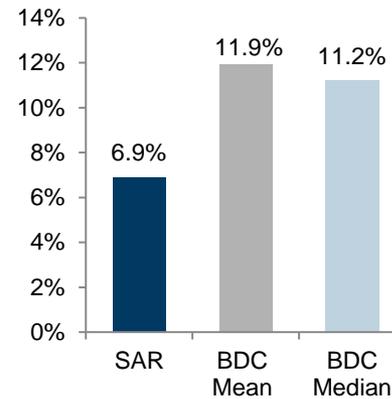
Interest % on Portfolio



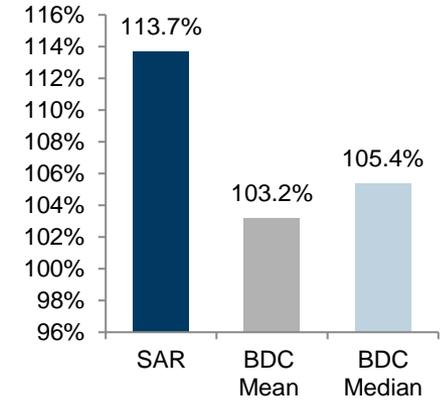
LTM NII Yield



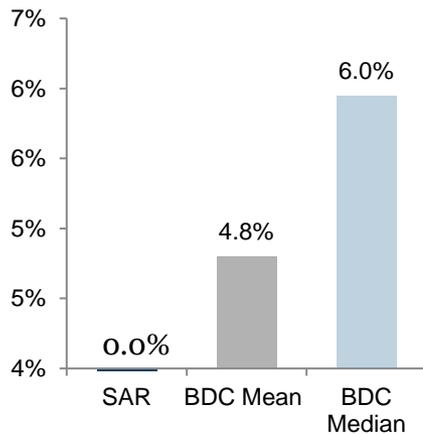
LTM ROE



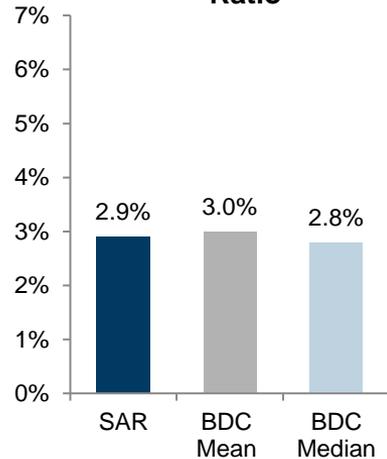
Regulatory Debt/Equity**



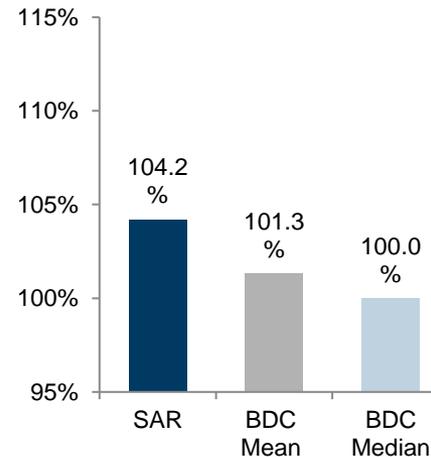
LTM NAV Per Share Growth



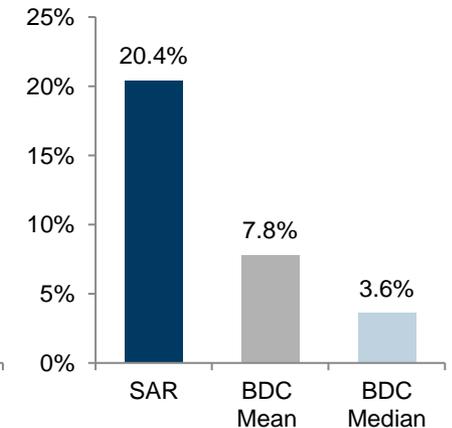
LTM Operating Expense Ratio*



Dividend Coverage



Year-Over-Year Dividend Growth



Source: SNL Financial / Company Filings / Raymond James report as of 6/17/22

* LTM Operating Expense Ratio defined as total operating expenses, net of interest and debt financing expenses and income and excise taxes, divided by average total assets.

Total Operating expenses divided by net assets is 14.0%.

** Regulatory Debt/Equity excludes SAK Notes of \$43.125m, which was called in June 2022 and will be repaid in July 2022

Establishing Competitive Edge vs. Other BDCs

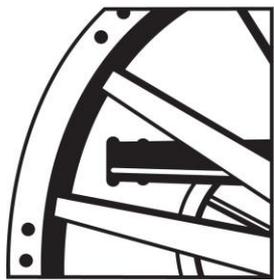
Outstanding performance characteristics

- ▶ **Strong long-term dividend**
Increased quarterly dividend by 211% since program launched until recent deferral; Latest dividend declared of 53c per share for the quarter ended May 31, 2022, up 20% last twelve months, represents current dividend yield of 9.1%; significant management ownership of 14%
- ▶ **Strong return on equity**
LTM ROE of 6.9% factors in both investment income and net gains/losses
- ▶ **Low-cost available liquidity**
Borrowing capacity still at hand through SBIC II debentures, new credit facility and cash – can grow current asset base by 14% as of quarter ended May 31, 2022 (net of upcoming SAK repayment), with most of it in cash or low cost liquidity (SBIC II debentures) that will be accretive to earnings.
- ▶ **Solid earnings per share and NII Yield**
Attractive and growing NII per share generated from strong risk-adjusted portfolio returns and favorable capital structure
- ▶ **Commitment to AUM expansion**
Fair value of AUM increased 9% from last quarter and 32% from prior year, with fair value now 1.4% above cost for full portfolio
- ▶ **Well-positioned for changes in interest rates**
Approx. 98% of our investments have floating interest rates, most with floors of 1.0% or higher. Interest rates currently higher than most floors and future increases fully accretive to interest income. Debt primarily at fixed rates and long-term. Investment grade rating of “BBB+”.
- ▶ **Limited oil & gas exposure**
Will not be facing significant write-downs as a result of major direct exposure to energy/oil/gas investments
- ▶ **Attractive risk profile**
SAR and SBIC leverage is below market averages, 95% of credits are the highest quality, 80% of investments are first lien

Objectives for the Future

- Expand our asset base without sacrificing credit quality while benefitting from scale
- Increase our capacity to source, analyze, close and manage our investments by adding to our management team and processes
- Utilize benefits of fully deploying available financing to build scale and increase our AUM and net investment income/yield, enabling us to achieve growth in:
 - Net Asset Value
 - Return on Equity
 - Earnings per Share
 - Stock Values

Questions?



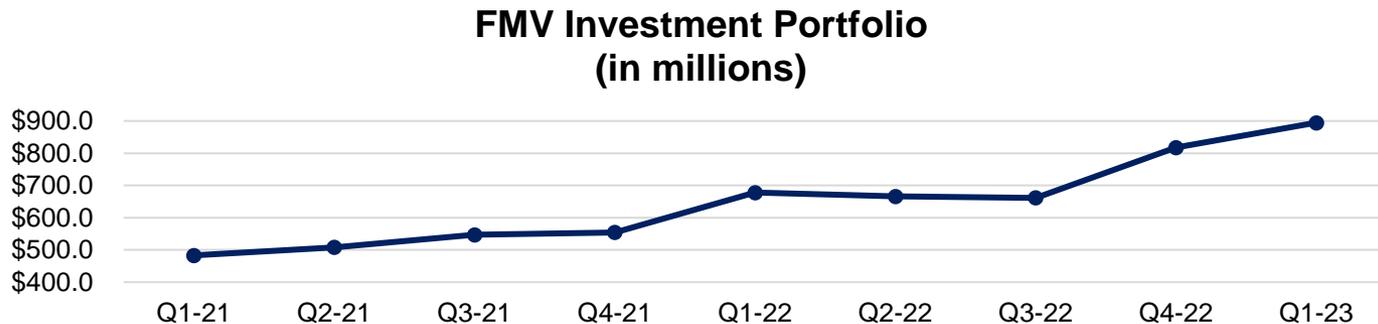
SARATOGA
INVESTMENT CORP.



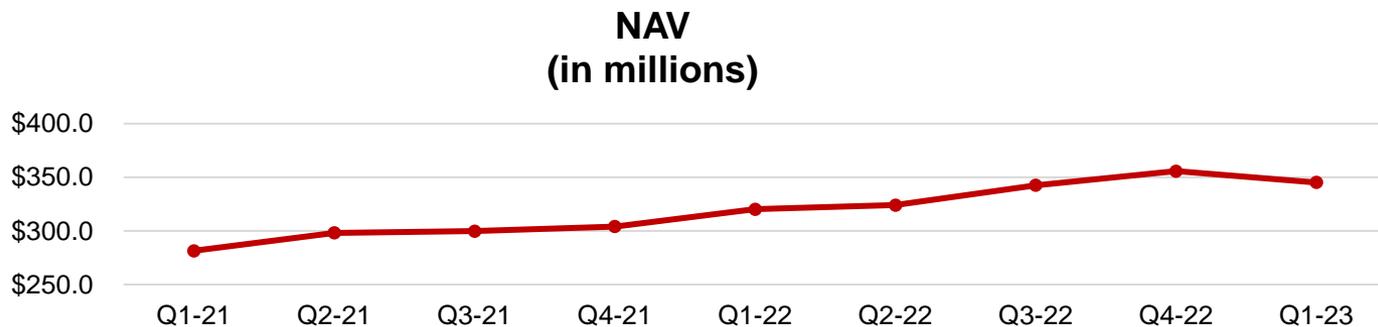
SARATOGA
INVESTMENT CORP.

KPIs – Balance Sheet – Q1 FY23

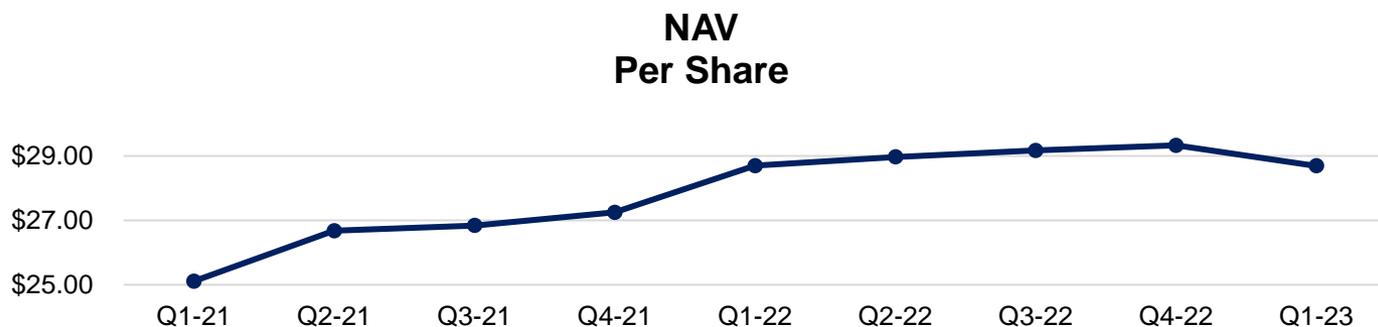
Period	FMV Investment Portfolio (in millions)
Q1-21	\$ 482.9
Q2-21	\$ 508.1
Q3-21	\$ 546.9
Q4-21	\$ 554.3
Q1-22	\$ 677.8
Q2-22	\$ 666.1
Q3-22	\$ 661.8
Q4-22	\$ 817.6
Q1-23	\$ 894.5



Period	NAV (in millions)
Q1-21	\$ 281.6
Q2-21	\$ 298.2
Q3-21	\$ 299.9
Q4-21	\$ 304.2
Q1-22	\$ 320.3
Q2-22	\$ 324.1
Q3-22	\$ 342.6
Q4-22	\$ 355.8
Q1-23	\$ 345.2



Period	NAV Per Share
Q1-21	\$ 25.11
Q2-21	\$ 26.68
Q3-21	\$ 26.84
Q4-21	\$ 27.25
Q1-22	\$ 28.70
Q2-22	\$ 28.97
Q3-22	\$ 29.17
Q4-22	\$ 29.33
Q1-23	\$ 28.69



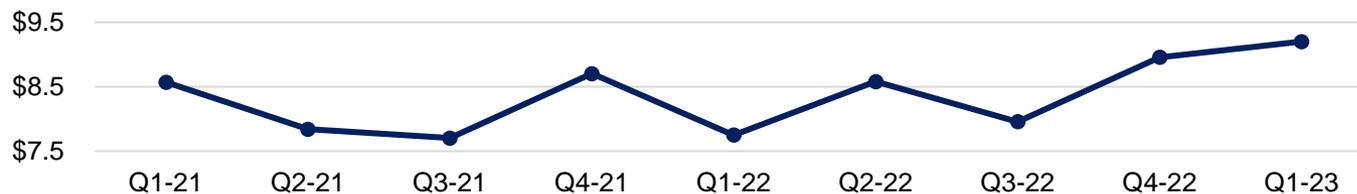
KPIs – Income Statement – Q1 FY23

Period	Net Interest Margin (in millions)
Q1-21	\$ 8.6
Q2-21	\$ 7.8
Q3-21	\$ 7.7
Q4-21	\$ 8.7
Q1-22	\$ 7.7
Q2-22	\$ 8.6
Q3-22	\$ 8.0
Q4-22	\$ 9.0
Q1-23	\$ 9.2

Period	NII Per Share
Q1-21	\$ 0.51
Q2-21	\$ 0.49
Q3-21	\$ 0.50
Q4-21	\$ 0.52
Q1-22	\$ 0.56
Q2-22	\$ 0.63
Q3-22	\$ 0.53
Q4-22	\$ 0.53
Q1-23	\$ 0.53

Period	NII Yield
Q1-21	7.9%
Q2-21	7.6%
Q3-21	7.4%
Q4-21	7.7%
Q1-22	8.0%
Q2-22	8.7%
Q3-22	7.3%
Q4-22	7.3%
Q1-23	7.3%

Net Interest Margin Excluding CLO (in millions)



Adjusted NII Per Share

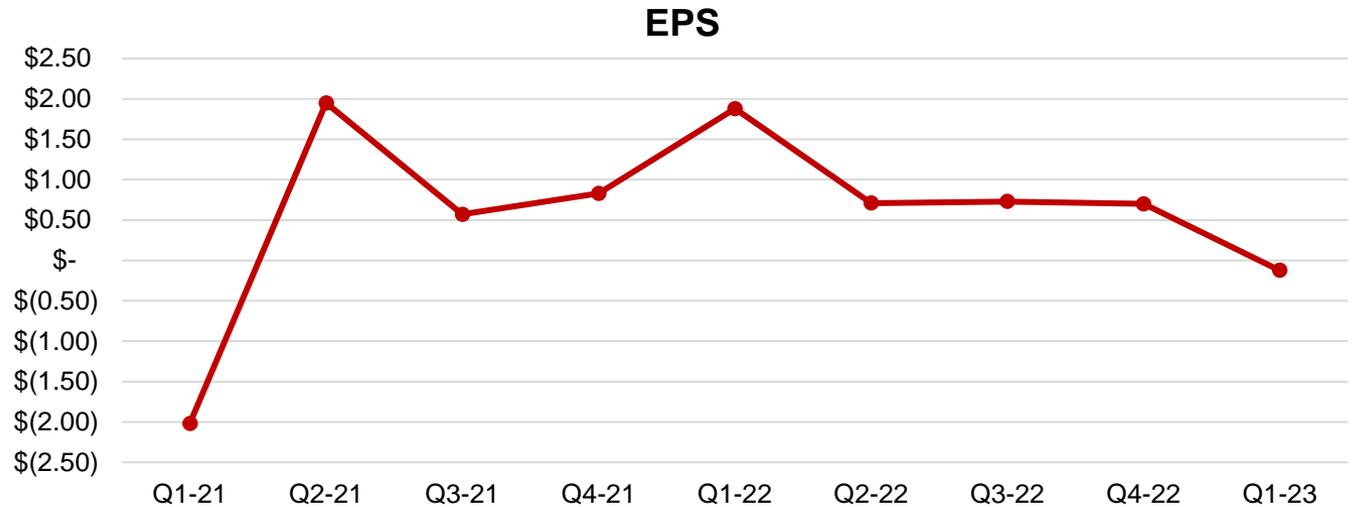


Adjusted NII Yield

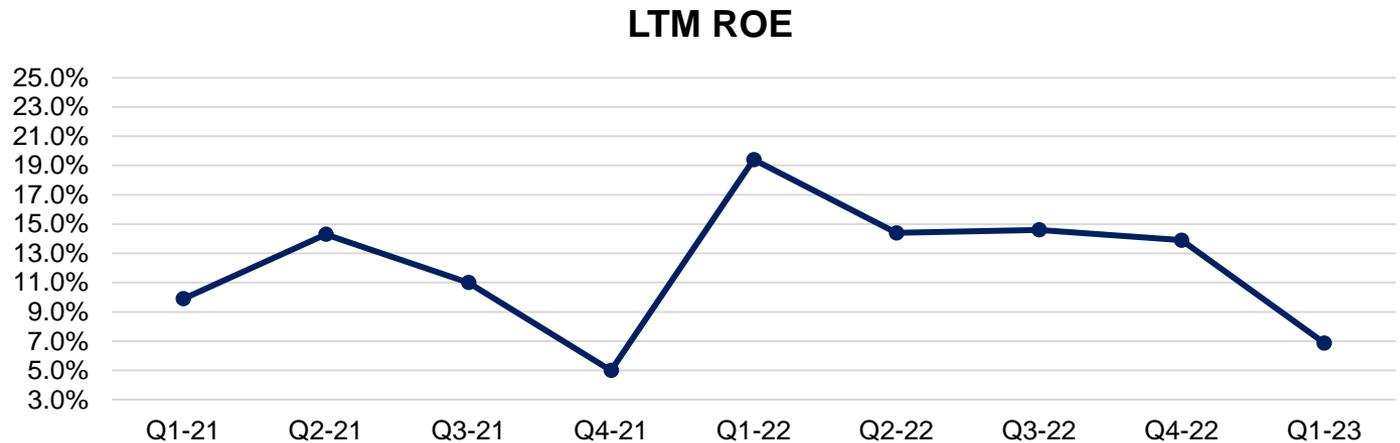


KPIs – Income Statement– Q1 FY23 (continued)

Period	EPS
Q1-21	\$ (2.02)
Q2-21	\$ 1.95
Q3-21	\$ 0.57
Q4-21	\$ 0.83
Q1-22	\$ 1.88
Q2-22	\$ 0.71
Q3-22	\$ 0.73
Q4-22	\$ 0.70
Q1-23	\$ (0.12)



Period	LTM ROE
Q1-21	9.9%
Q2-21	14.3%
Q3-21	11.0%
Q4-21	5.0%
Q1-22	19.4%
Q2-22	14.4%
Q3-22	14.6%
Q4-22	13.9%
Q1-23	6.9%



KPIs - SAR Net Interest Margin

SAR has quadrupled its Net Interest Margin since taking over management

