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Saratoga Investment Corp. Announces Recapitalization of Easy Ice Investment

NEW YORK, Sept. 12, 2017 /PRNewswire/ -- Saratoga Investment Corp. (NYSE: SAR) ("Saratoga Investment" or "the Company"), a business development company, today announced it has completed the recapitalization of Easy Ice, LLC ("Easy Ice"), one of the largest providers of ice machine service contracts to small businesses.

As previously noted, during the quarter ended February 28, 2017 Saratoga Investment increased its first lien investment in Easy Ice to \$26.7 million to facilitate a change of control transaction at the company. Concurrent with this transaction, the Company also invested \$8.0 million in a significant preferred equity position.

During the quarter ended August 31, 2017, Saratoga completed a subsequent recapitalization, resulting in repayment of \$10.2 million and conversion of the remaining \$16.5 million of Saratoga's investment into a second lien position. Concurrently, Easy Ice established a new senior credit facility with Madison Capital, reducing its total cost of capital and providing additional growth capital while completing the significant acquisition of a regional competitor in the Chicago market.

"We are thrilled to have Saratoga continue as our strategic partner with an increased investment," said Mark Hangen, Chief Executive Officer of Easy Ice. "For the past four years, they have been flexible and their investment structure and amount has evolved with the growth of our business, which is now almost 50% larger than it was at the beginning of the year. Thanks to Saratoga's understanding of our business, we were able to execute on this important acquisition in a speedy fashion while broadening our capital base to support continued growth."

"Easy Ice has performed exceptionally well, and we are pleased to continue to support the company. We have enormous faith in Easy Ice's management team and are looking forward to being a larger part of the next chapter in their business," said Christian L. Oberbeck, Chairman and Chief Executive Officer of Saratoga Investment. Michael J. Grisius, President and Chief Investment Officer, added, "Our partnership with management, combined with our preferred equity position, will allow us to participate in Easy Ice's ongoing success, contributing to our portfolio beyond the three-to-four-year horizon typical of most loans. Their subscription business model, highly diversified customer base and growth prospects exemplify the type of business we seek to partner with long-term."

Based in Marquette, Michigan, Easy Ice is a provider of ice machine service contracts serving over 8,000 customers across 46 states. Easy Ice is the only national company offering a comprehensive subscription service for commercial ice machines that includes all repairs, preventative maintenance and more.

About Saratoga Investment Corp.

Saratoga Investment Corp. is a specialty finance company that provides customized financing solutions to U.S. middle-market businesses. The Company invests primarily in mezzanine debt, senior and unitranche leveraged loans and, to a lesser extent, equity to provide financing for change of ownership transactions, strategic acquisitions, recapitalizations and growth initiatives in partnership with business owners, management teams and financial sponsors. Saratoga Investment Corp.'s objective is to create attractive risk-adjusted returns by generating current income and long-term capital appreciation from its debt and equity investments. Saratoga Investment Corp. has elected to be regulated as a business development company under the Investment Company Act of 1940 and is externally-managed by Saratoga Investment Advisors, LLC, an SEC-registered investment advisor focusing on credit-driven strategies. Saratoga Investment Corp. owns an SBIC-licensed subsidiary and manages a \$300 million collateralized loan obligation ("CLO") fund. It also owns 100% of the subordinated notes of the CLO. These diverse funding sources, combined with a permanent capital base, enable Saratoga Investment Corp. to provide a broad range of financing solutions.

Forward Looking Statements

This press release contains certain forward-looking statements. These forward-looking statements are subject to risks and uncertainties and other factors enumerated in this press release and the filings Saratoga Investment Corp. makes with the SEC. Saratoga Investment Corp. undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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