

Saratoga Investment Corp.

**Fiscal Year-End and Fourth Quarter
2022 Shareholder Presentation**

May 5, 2022



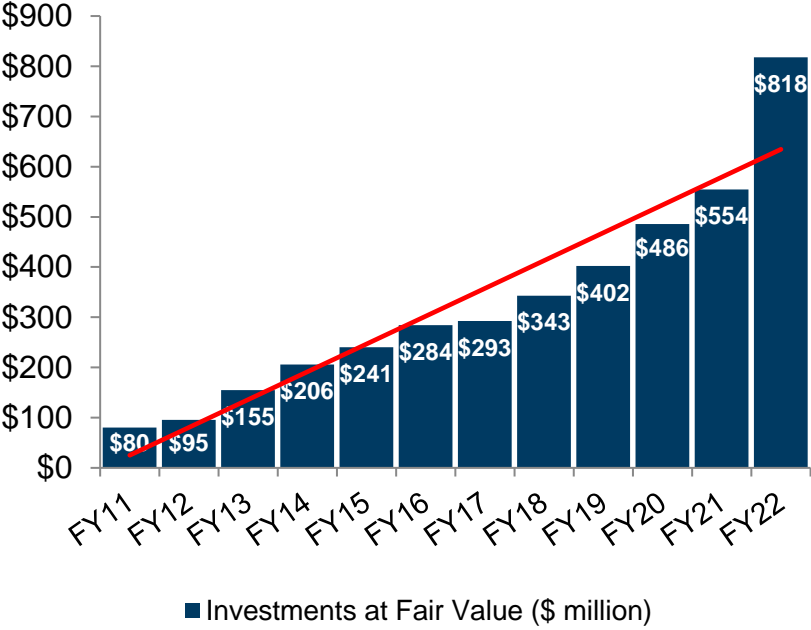
Continued Growth and Outperformance in FY22 and Q4

Fiscal Year-End and Fourth Quarter 2022 Highlights:

- Continued high quality portfolio and strong performance
 - Investment quality remains strong
 - 98.5% of loan investments with highest internal rating and zero non-accruals
 - Return on equity of 13.9% for LTM and 9.6% for Q4, net of realized loss on extinguishment
 - Net realized and unrealized gains of \$28.2 million for FY22 and \$2.7 million for Q4
 - Gross Unlevered IRR of 12.2% on total unrealized portfolio as of February 28, 2022
 - Fair value of \$817.6 million is 2.7% above total cost of portfolio
 - Gross Unlevered IRR of 16.4% on \$763.8 million of total realizations
- Consistent strong long-term originations contribute to growing assets under management
 - AUM up 47% since year-end and up 24% since last quarter, with originations of \$458.1 million in FY22 and \$164.3 million in Q4, resulting from strong pipeline and healthy success in term sheets and deals executed
- Base of liquidity and capital remains strong
 - Quarter-end liquidity allows growth of AUM by 20% and is mostly long-term
 - \$52.9 million is cash, with approx. \$79 million net deployments since quarter-end almost fully accretive to earnings
 - New \$87.5 million 6.0% 2027 baby bond issued on April 27, 2022 with “SAT” ticker
- Declared dividend of \$0.53 per share for the quarter ended February 28, 2022, paid on March 28, 2022
- Key performance indicators for Q4 - Adjusted NII of \$6.4 million, Adjusted NII per share of 53c, LTM ROE 13.9% and NAV per share of \$29.33
 - NAV per share is up 0.5% from Q4 and up 7.6% from last year to highest level yet - increased 17 of the past 19 quarters
 - NII per share diluted by 2c this quarter from the \$26.7 million ATM equity issuances in Q3 and Q4
- Key performance indicators for FY22 – Adjusted NII of \$25.7 million and Adjusted NII per share of \$2.24

Continued Asset Growth and Strong Credit Quality

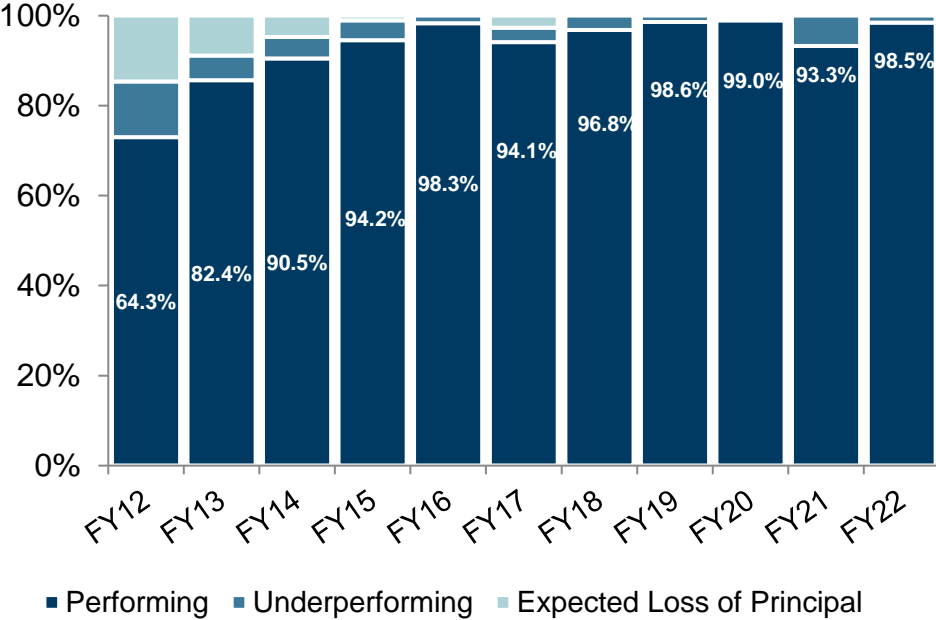
Asset Base Expansion Trend



Fair value of AUM increased 24% since last quarter and 47% year-over-year

Fair value of \$818m at Q4 FY22 is 3% above cost

Overall Credit Quality Remains Strong



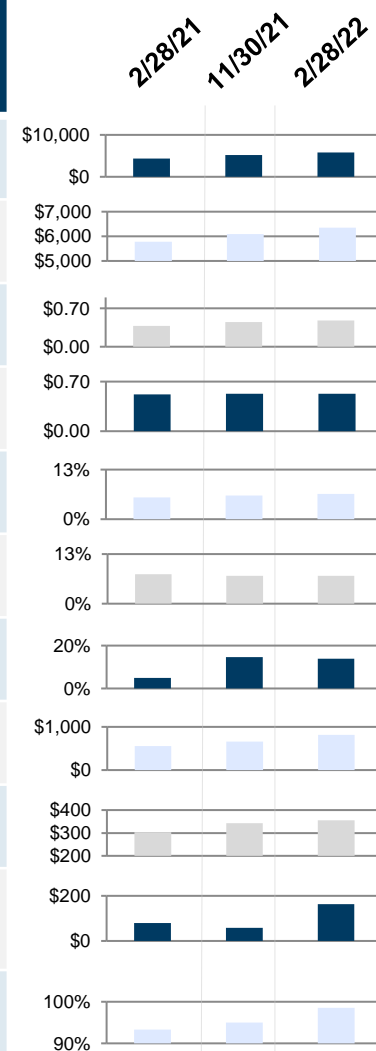
98% of our SAR loan investments hold our highest internal rating, up from 95% last quarter; zero non-accruals at quarter-end*

* Excludes our investment in our CLO and our equity positions

Q4 FY22: Strong Financial Foundation and Momentum

Key Performance Metrics for the Fiscal Quarter

For the quarter ended and as of (\$ in millions except per share)	Feb 28, 2021	Nov 30, 2021	Feb 28, 2022
Net investment income	\$4,289	\$5,197	\$5,797
Adjusted net investment income*	\$5,780	\$6,091	\$6,354
Net investment income per share	\$0.38	\$0.45	\$0.48
Adjusted net investment income per share*	\$0.52	\$0.53	\$0.53
Net investment income yield	5.7%	6.2%	6.6%
Adjusted net investment income yield*	7.7%	7.3%	7.3%
Return on Equity – Last Twelve Months	5.0%	14.6%	13.9%
Fair value of investment portfolio	\$554.3	\$661.8	\$817.6
Total net assets	\$304.2	\$342.6	\$355.8
Investments in new/existing portfolio companies	\$80.2	\$58.6	\$164.3
Loan Investments held in “Performing” credit ratings	93.3%	95.0%	98.5%

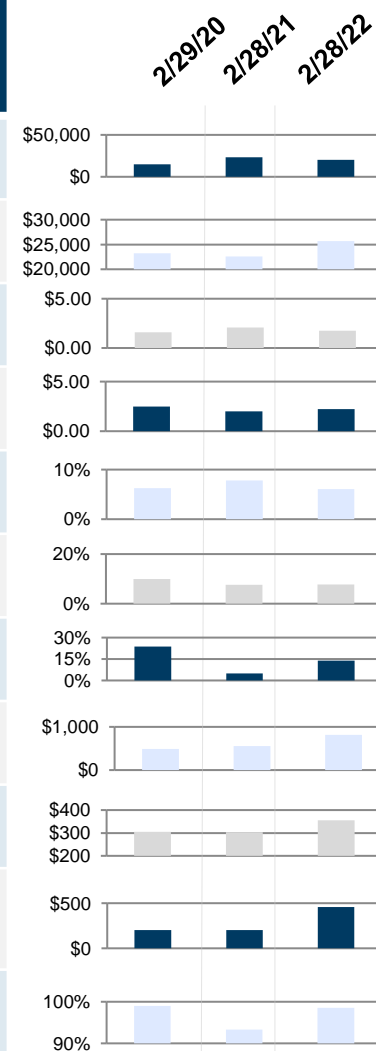


*Adjusted for accrued capital gains incentive fee expense, reconciliation to GAAP net investment income, net investment income per share and net investment income yield included in our fiscal fourth quarter 2022 earnings release.

FY22: Strong Financial Foundation and Momentum

Key Performance Metrics for the Fiscal Year

For the year ended and as of (\$ in millions except per share)	Feb 29, 2020	Feb 28, 2021	Feb 28, 2022
Net investment income	\$14,862	\$23,113	\$19,943
Adjusted net investment income*	\$23,221	\$22,569	\$25,702
Net investment income per share	\$1.59	\$2.07	\$1.74
Adjusted net investment income per share*	\$2.49	\$2.02	\$2.24
Net investment income yield	6.3%	7.8%	6.1%
Adjusted net investment income yield*	9.9%	7.6%	7.8%
Return on Equity – Last Twelve Months	23.6%	5.0%	13.9%
Fair value of investment portfolio	\$485.6	\$554.3	\$817.6
Total net assets	\$304.3	\$304.2	\$355.8
Investments in new/existing portfolio companies	\$204.6	\$202.3	\$458.1
Loan Investments held in “strong” credit ratings	99.0%	93.3%	98.5%



*Adjusted for accrued capital gains incentive fee expense and interest expense on 2025 Notes during call period, reconciliation to GAAP net investment income, net investment income per share and net investment income yield included in our fiscal fourth quarter 2022 earnings release.

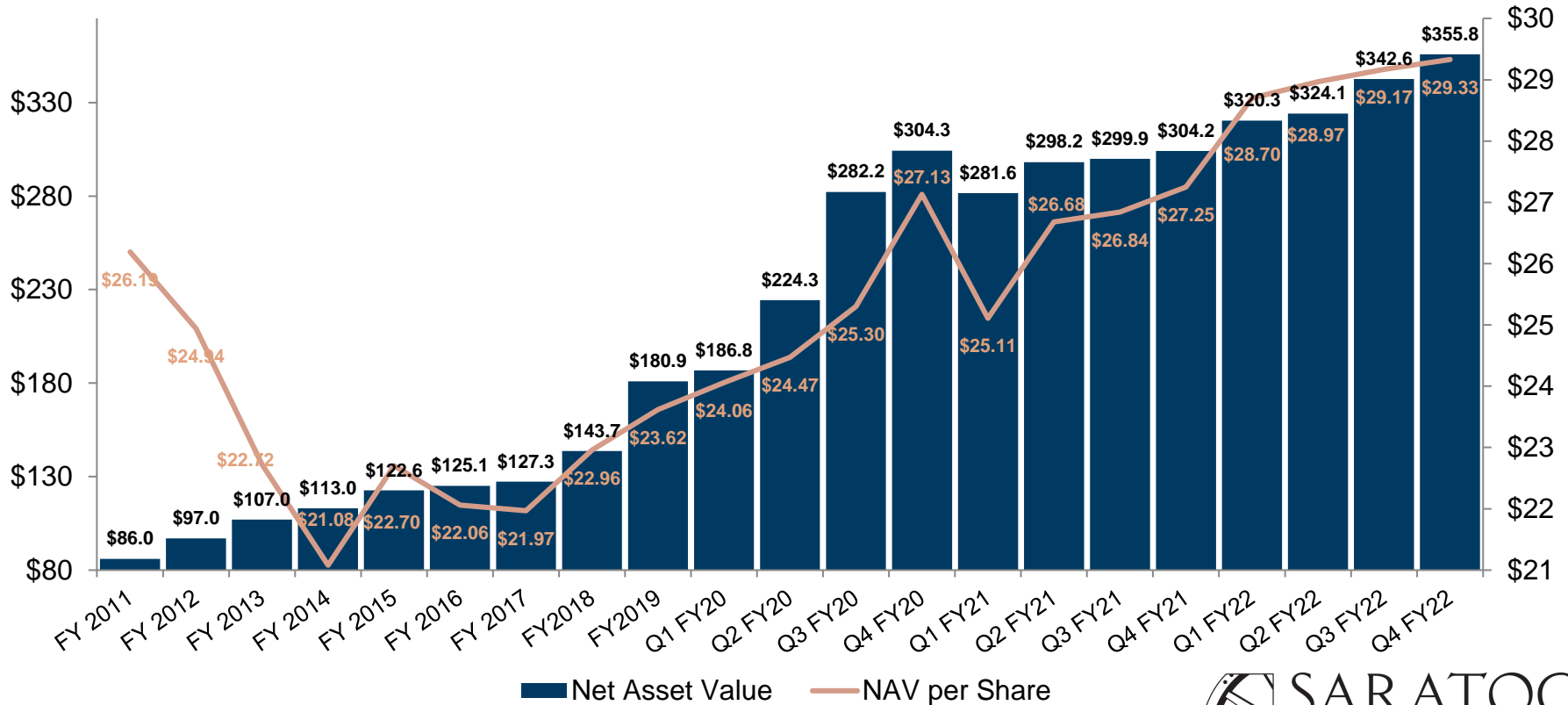
Long-Term Accretive NAV and NAV Per Share Growth

Net Asset Value and NAV per Share (FY11 to FY22)

NAV: 4% increase this quarter and 17% increase from year-end and pre-COVID levels. 314% increase since Saratoga took over management.

NAV/Share: 1% increase this quarter and 8% increase from year-end and pre-COVID levels. 34% increase since FY17 with increases 17 of the last 19 quarters.

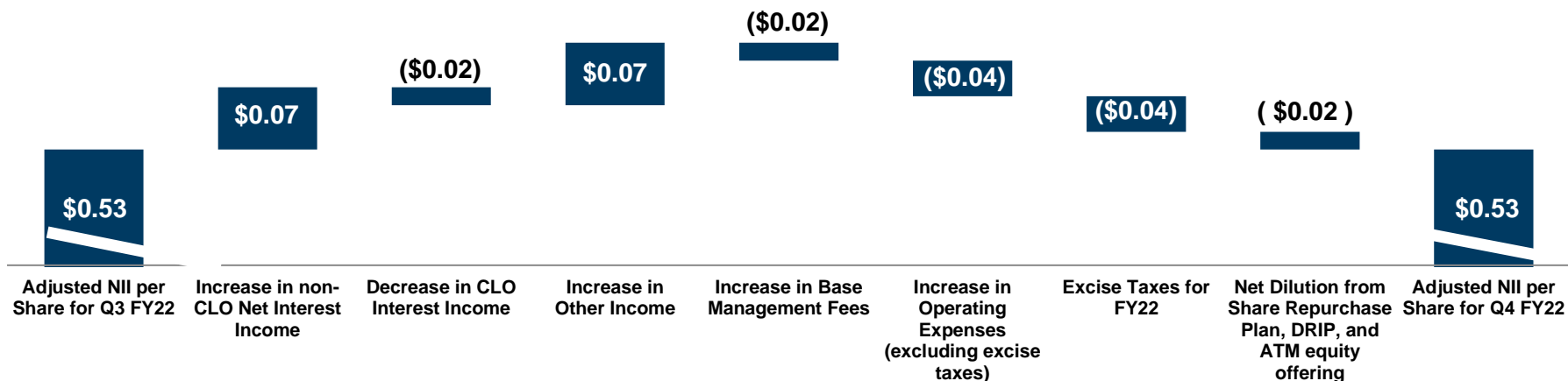
(in millions)



Quarterly Reconciliation of NII and NAV per Share

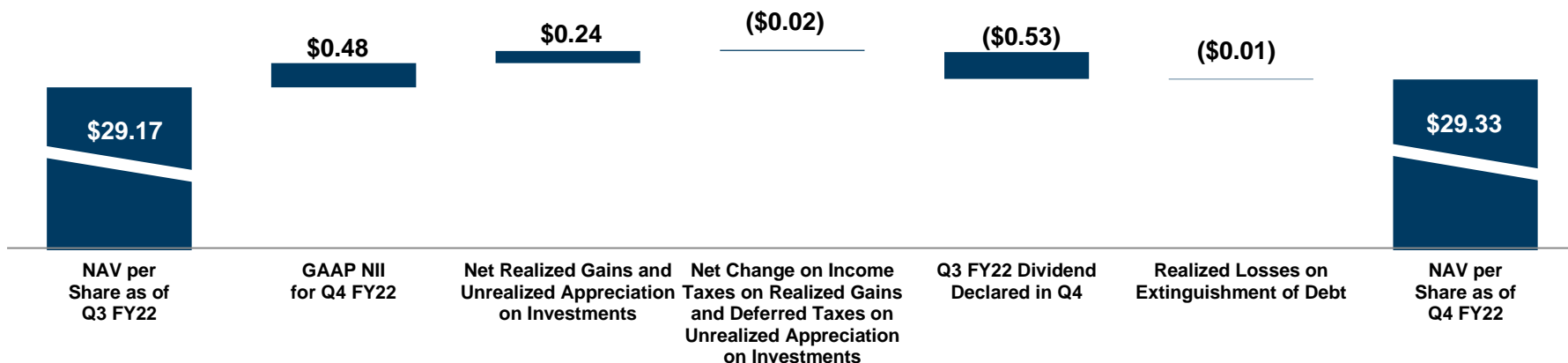
- Impacts are shown net of incentive fee

Reconciliation of Quarterly Adjusted NII per Share



Reconciliation of Quarterly NAV per Share

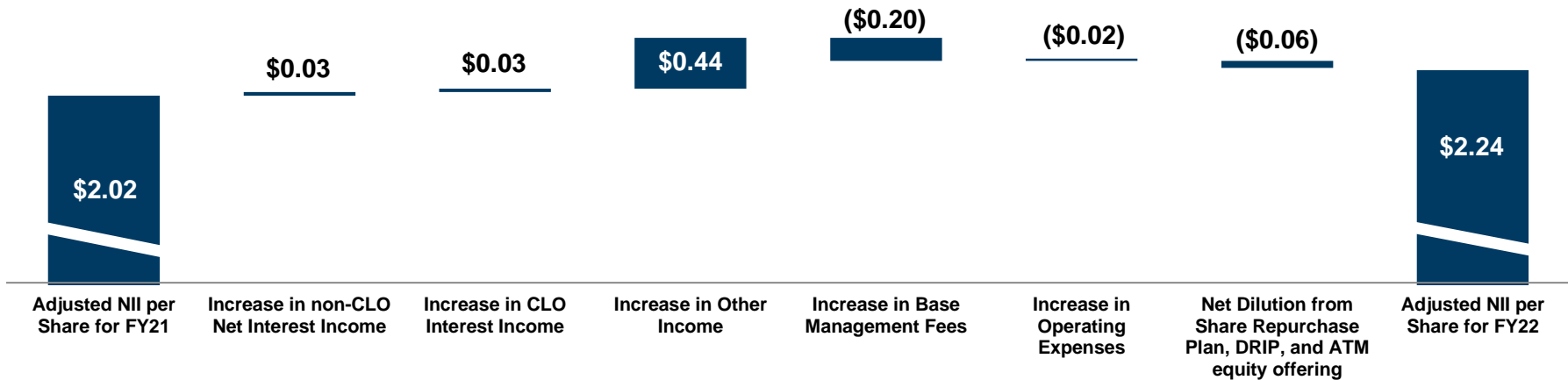
- Zero accretion/dilution from share repurchase, DRIP and ATM offering plan



Annual Reconciliation of NII and NAV per Share

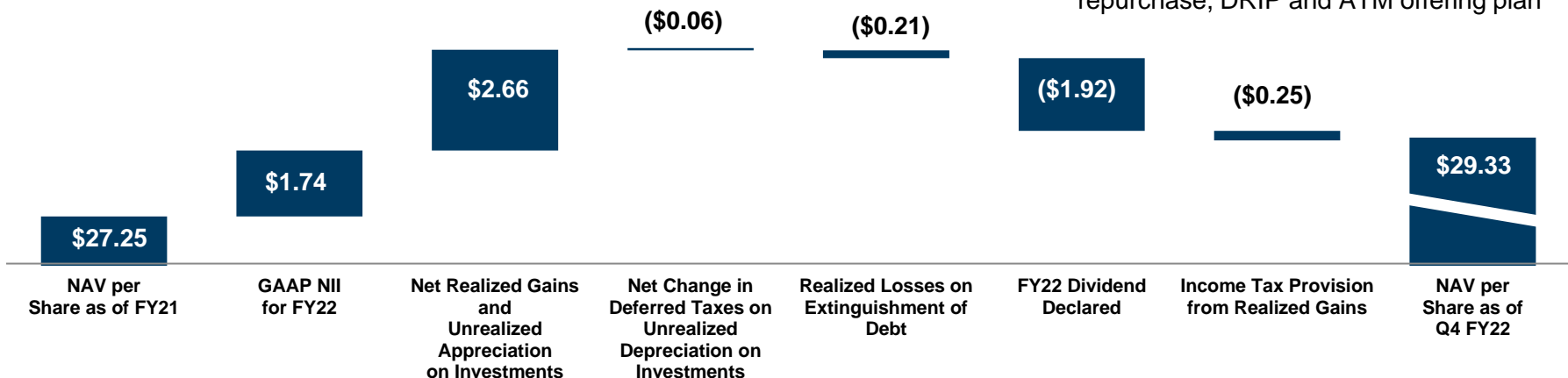
- Impacts are shown net of incentive fee

Reconciliation of Annual Adjusted NII per Share



Reconciliation of Annual NAV per Share*

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



* Includes the impact of the different share amounts used for different items (weighted average basic common shares outstanding for the full year earnings numbers and actual common shares outstanding at the end of the year) in the per common share data calculation and rounding impacts.

Dry Powder Remains Available

(As of February 28, 2022)		Total Borrowing Capacity	Outstanding	Available Liquidity	Remaining Maturity Period	Fixed / Floating Rate
Secured Revolving Credit Facility		\$50.0 million	\$12.5 million	\$37.5 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	\$99.0 million	\$76.0 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
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		\$52.9 million	\$52.9 million	\$52.9 million	-	-
Total Available Liquidity (at quarter-end):				\$ 166.4 million		

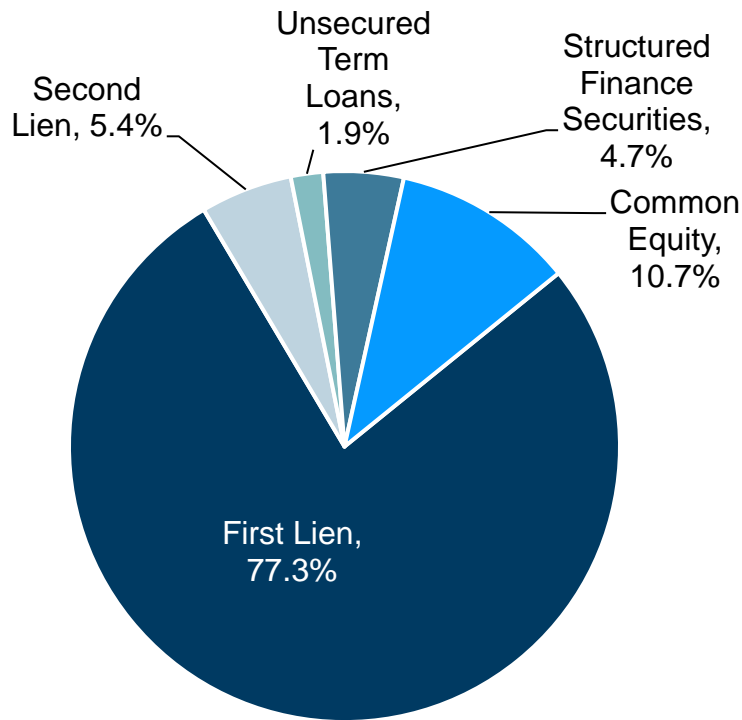
Ability to grow AUM by 20% without any new external financing as of February 28, 2022

- \$76.0m 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
- Subsequent to year-end, issued \$87.5 million 6.0% 2027 baby bonds on April 27, 2022

Portfolio Composition and Yield

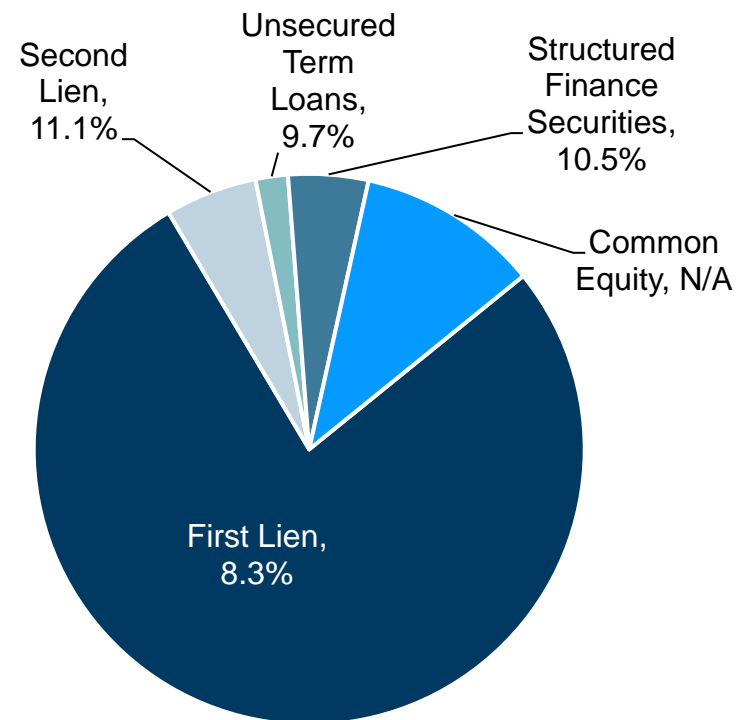
Portfolio Composition – \$817.6 m

(Based on Fair Values
as of February 28, 2022)



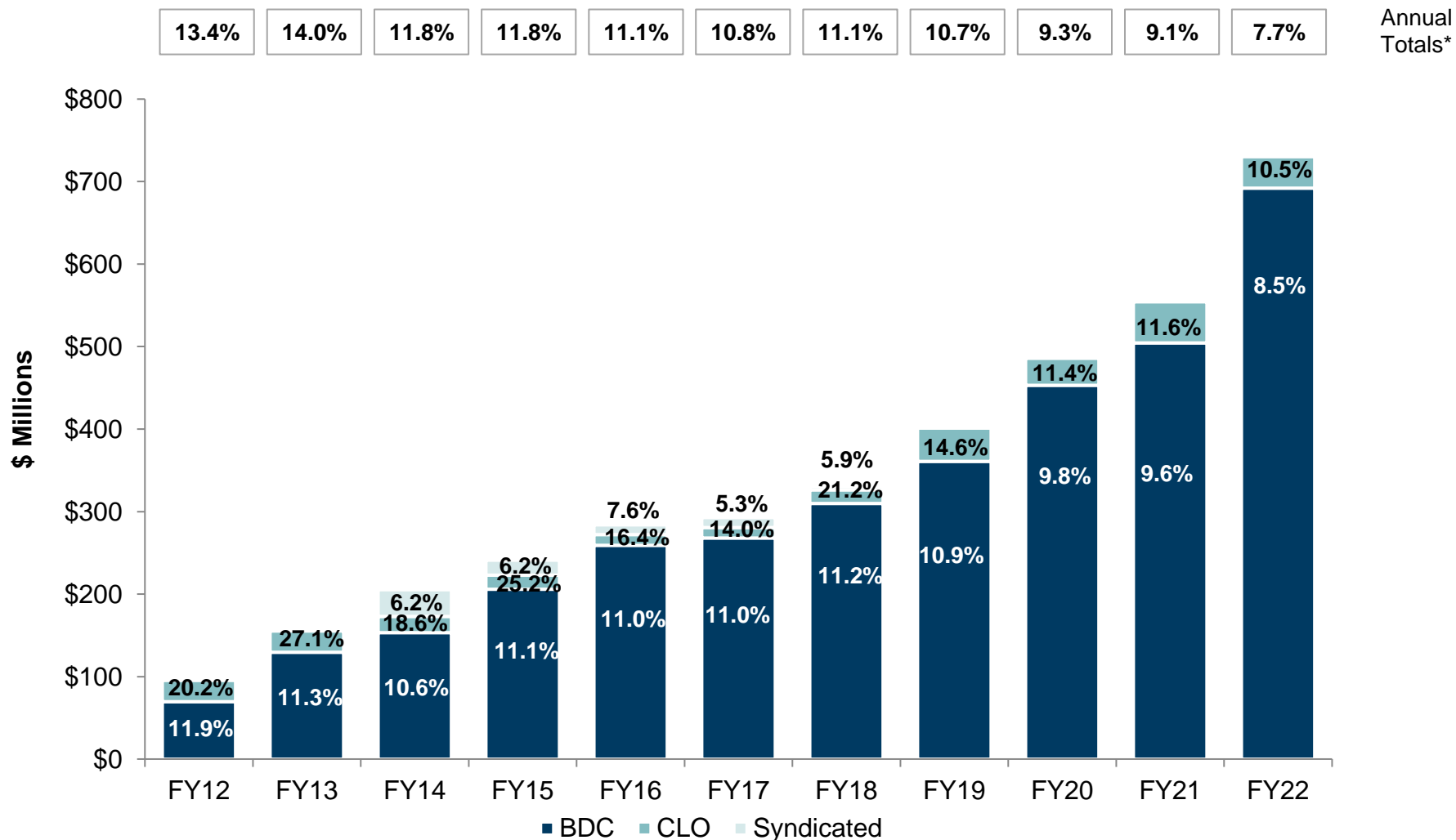
Portfolio Yield – 7.7%

(Weighted Average
Current Yield of Existing Portfolio)



Yield of BDC Remains Healthy

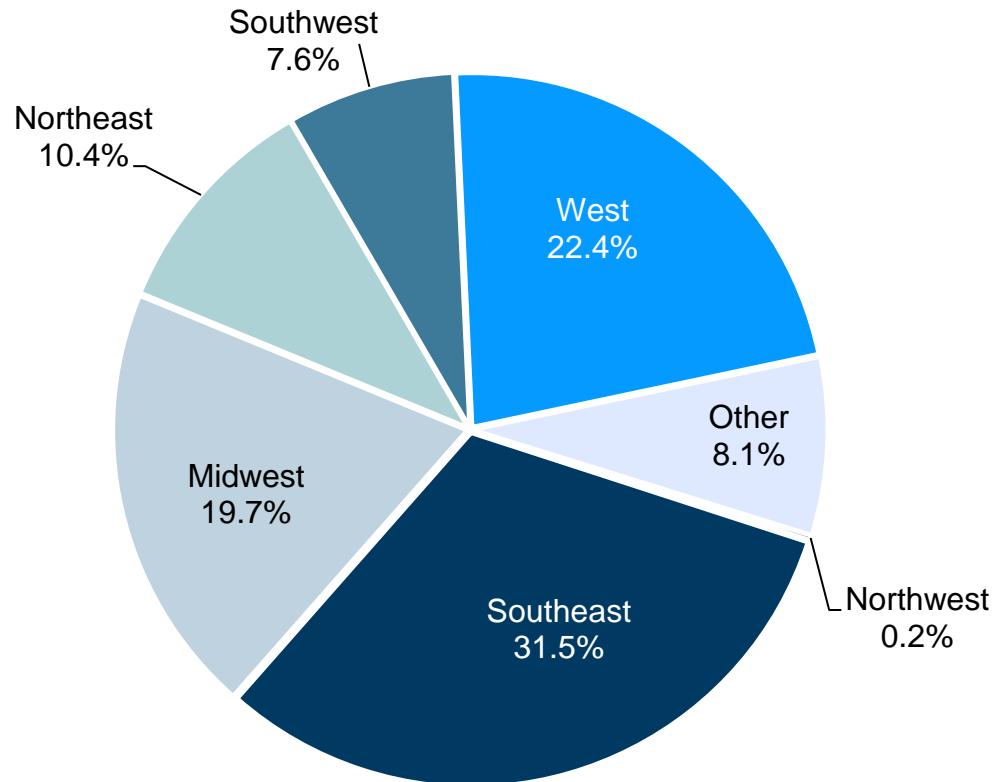
Weighted Average Current Yields



* 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.

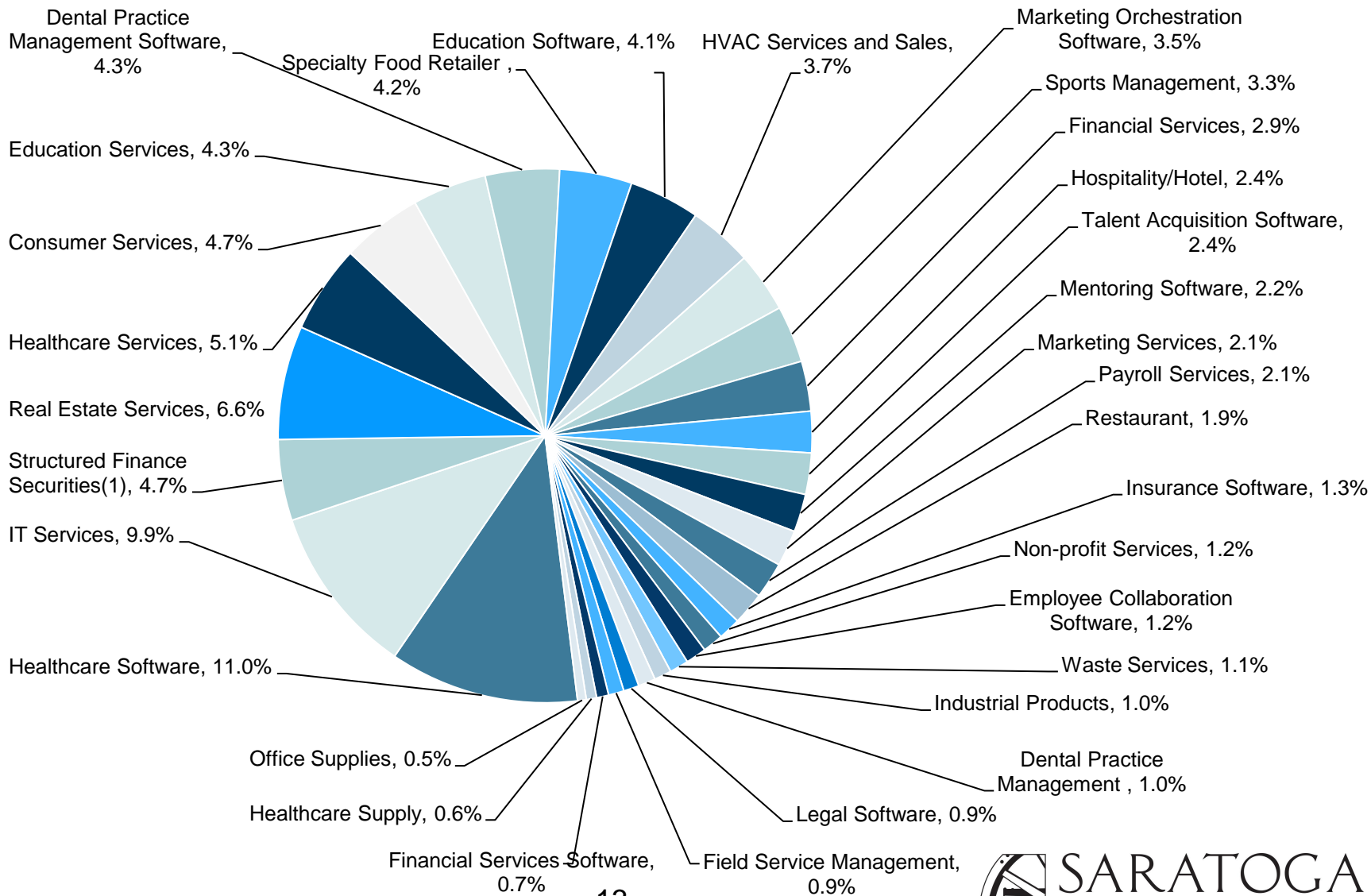
Diversified Across Geography

Investments Diversified Geographically



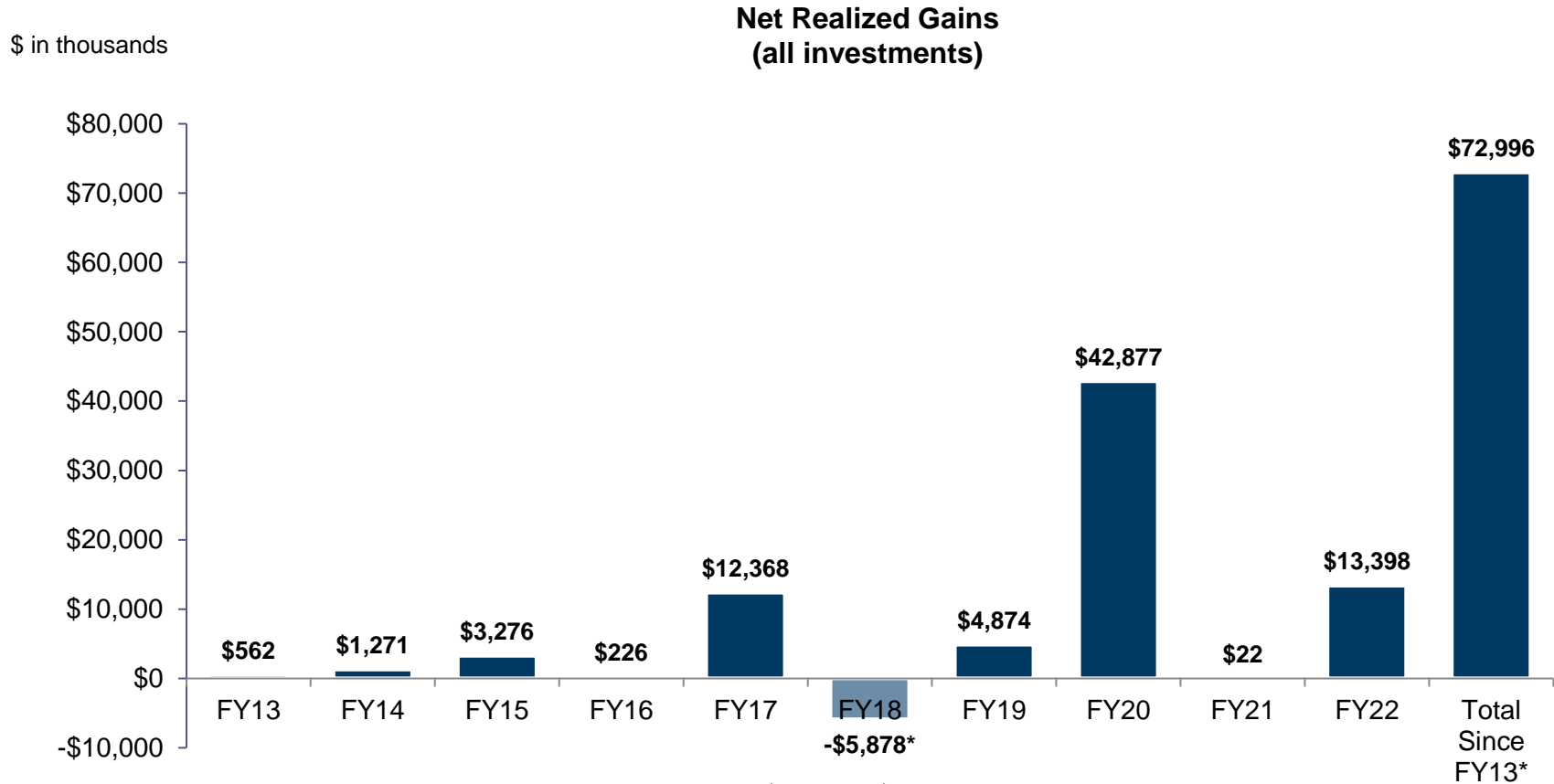
Diversified Across Industry

Investments across 38 distinct industries



Net Realized Gains Help Protect Shareholder Capital

Cumulative net realized gains reflect portfolio credit quality



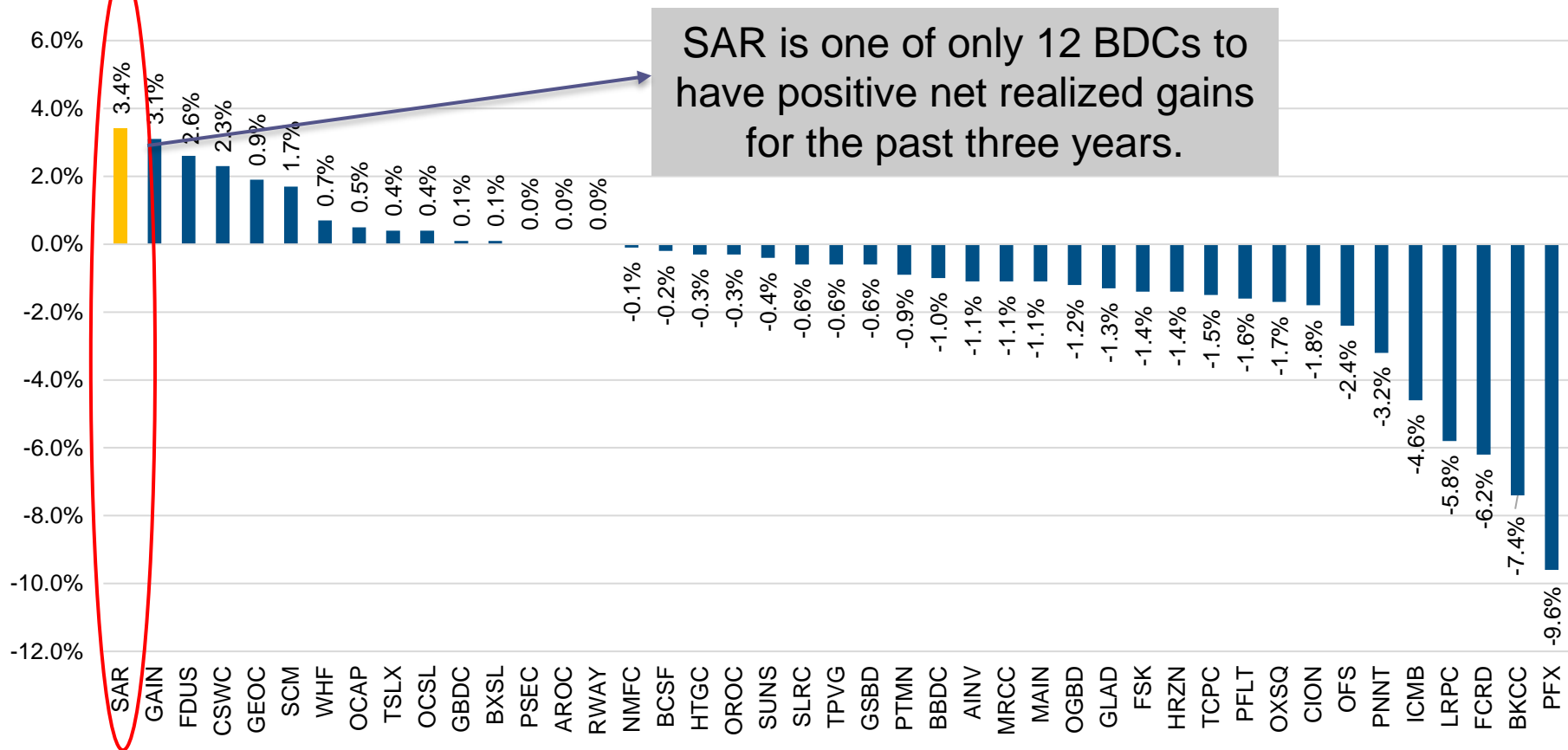
* Reflects realized loss on My Alarm Center investment of \$7.7m less \$1.8m in other realized gains in FY18.

** 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***



*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

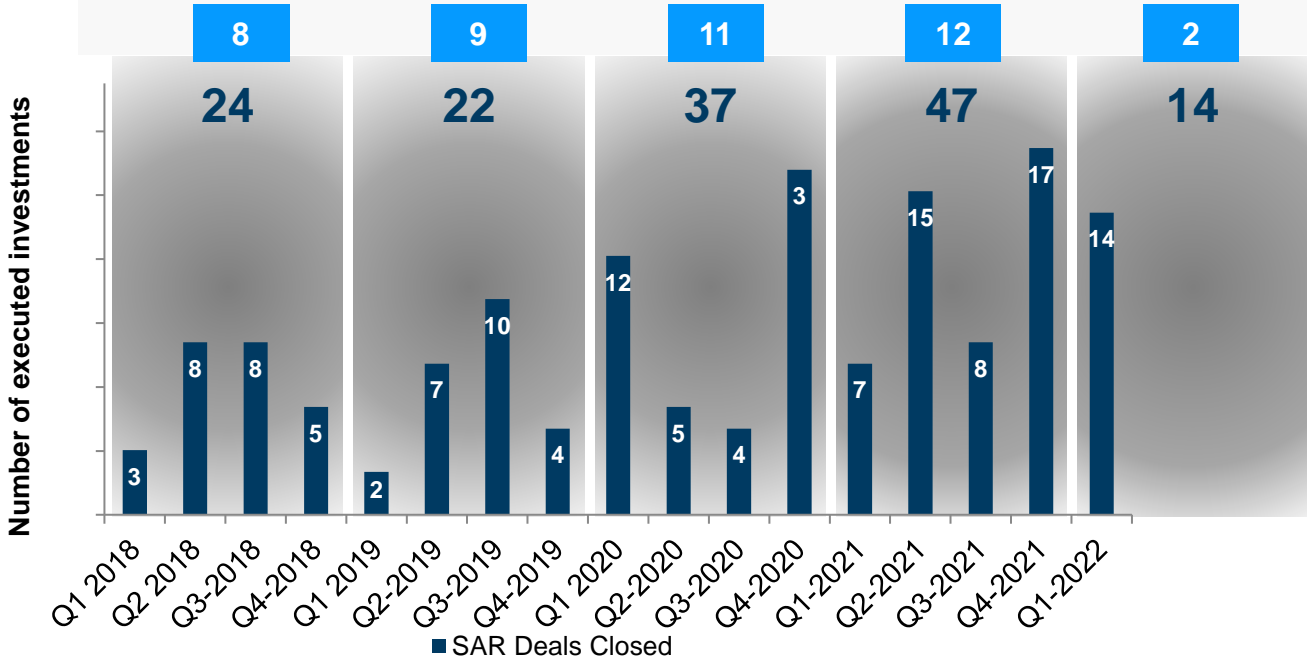
Exercising Disciplined Investment Judgment While Growing Origination Pace

SAR Debt Multiples/Deals Closed (2018-2022)

Portfolio leverage with non-recurring revenue underwriting is 4.52x¹

	Average Middle Market	
	September 30, 2021	December 31, 2021
All Senior	3.96x	4.08x
1st Lien/Mezz	5.22x	5.22x
1st / 2nd Lien	5.72x	5.56x
Unitranche	5.89x	5.75x

4.52x
▲



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 20 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. 16

Pipeline Growth Interrupted by COVID-19

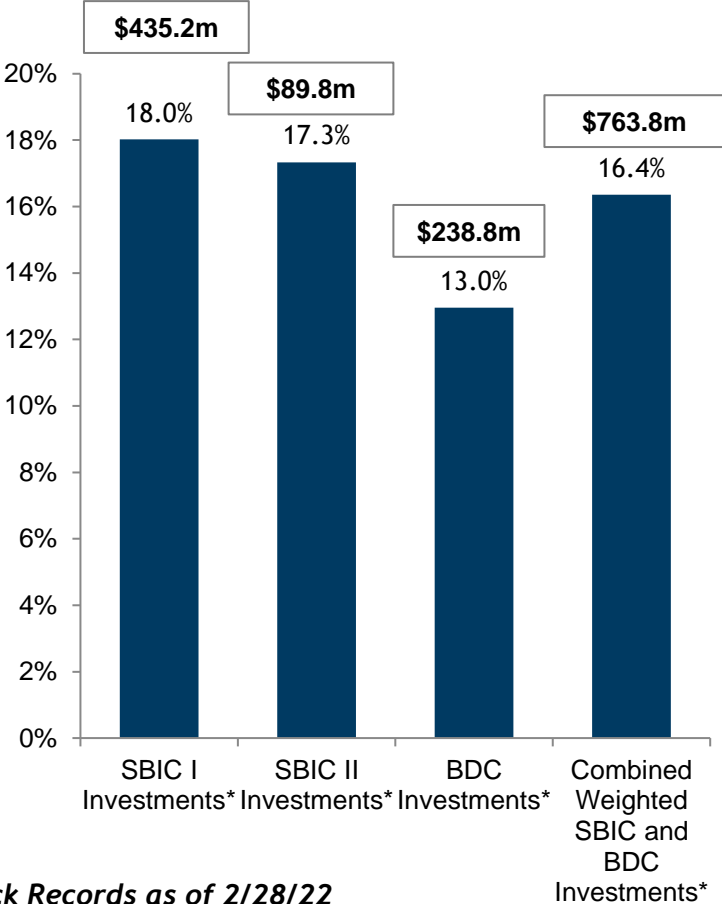
New business opportunities severely impacted by COVID-19 but healthy success in term sheets and deals executed driven by investments in team and strong reputation

Calendar*	2018	Δ	2019	Δ	2020	Δ	2021	Δ	LTM Q1 2022	
Deals Sourced	846	2%	863	28%	619	-8%	572	(5%)	542	<ul style="list-style-type: none"> ~60% of deal flow from private equity sponsors ~40% 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	(34%)	44	<ul style="list-style-type: none"> We are seeing increasing term sheets issued in Q1 2022 thus far as compared to last year's Q1 that was still significantly impacted by COVID ~ 64% of term sheets are issued for transactions involving a private equity sponsor
Deals Executed (new and follow-on)	24	-8%	22	32%	29	62%	47	17%	55	<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		12	<ul style="list-style-type: none"> Twelve new portfolio companies during LTM Q1 2022 Saratoga new portfolio company investments average ~ 2% of deals reviewed

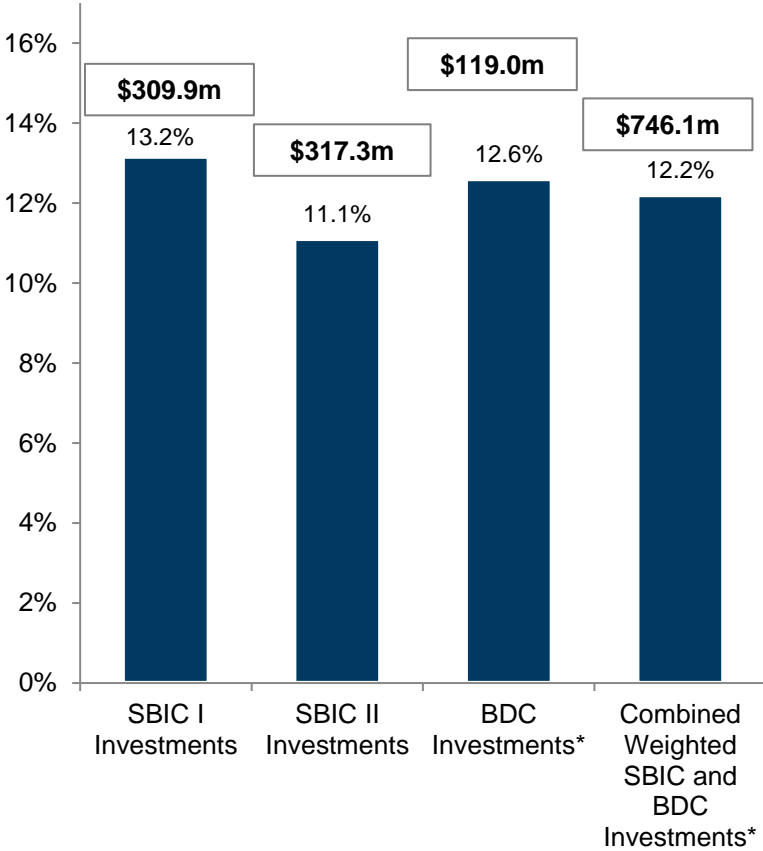
*Calendar quarters, not fiscal quarters.

Demonstrated Strong Track Record

Realized Investments
(Gross Unlevered IRR%)



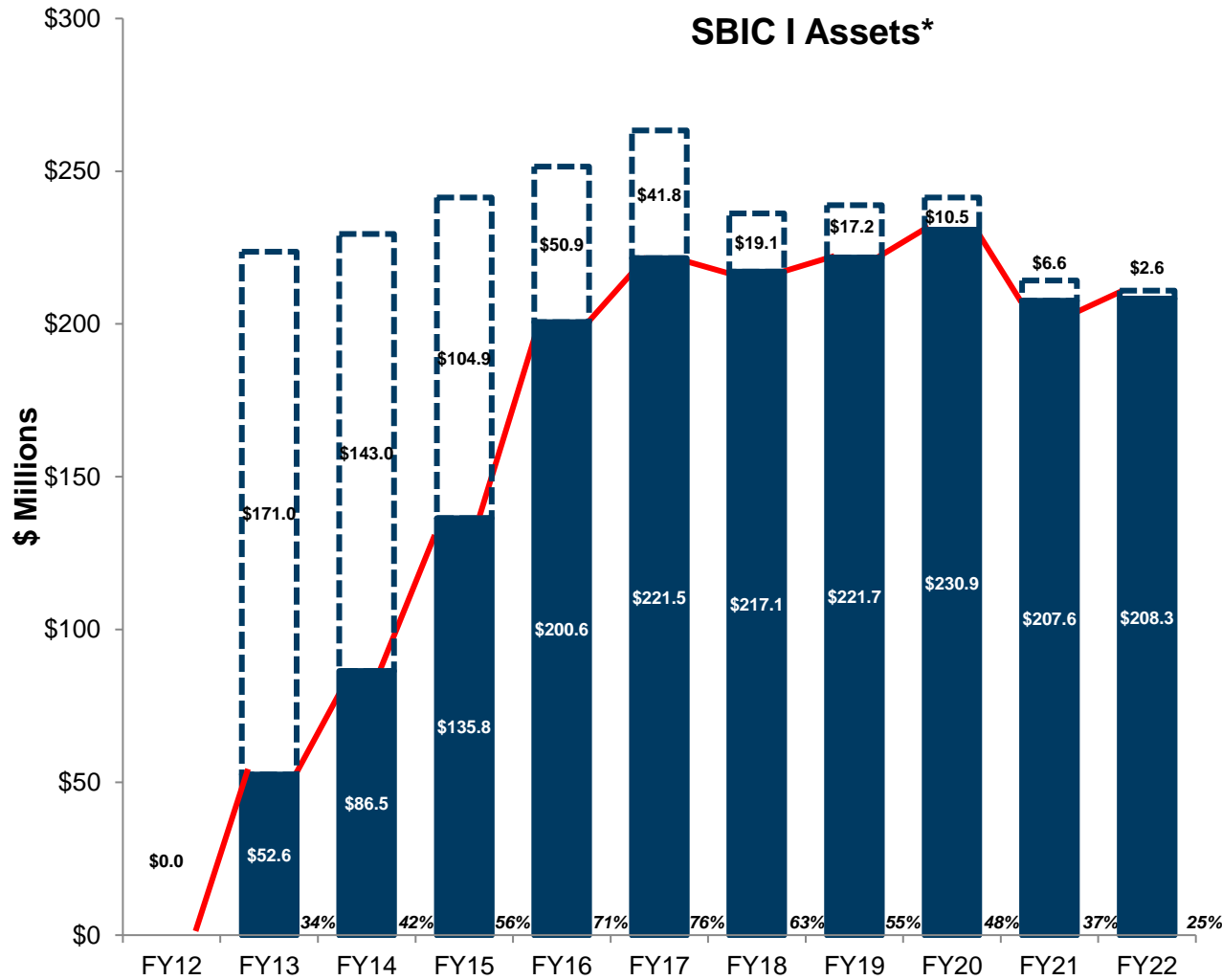
Unrealized Investments ¹
(Gross Unlevered IRR%)



Track Records as of 2/28/22

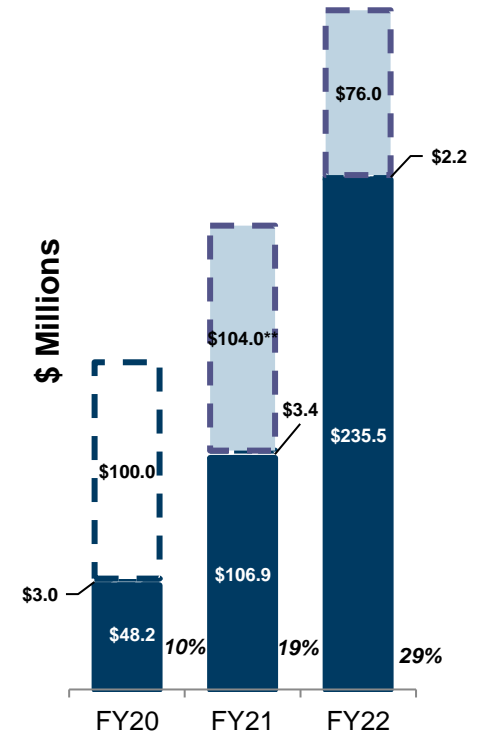
¹ IRRs for unrealized investments include fair value and accrued interest as of 2/28/2022
 * SBIC I and SBIC II investments represent all investments in the specific funds, including later follow-ons that might be invested in the BDC due to SBIC fund size limitations. BDC investments exclude investments 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 and \$78m of available capacity in FY20, FY21, and FY22 respectively (debt and equity at 2:1 leverage)

SBIC II Assets*

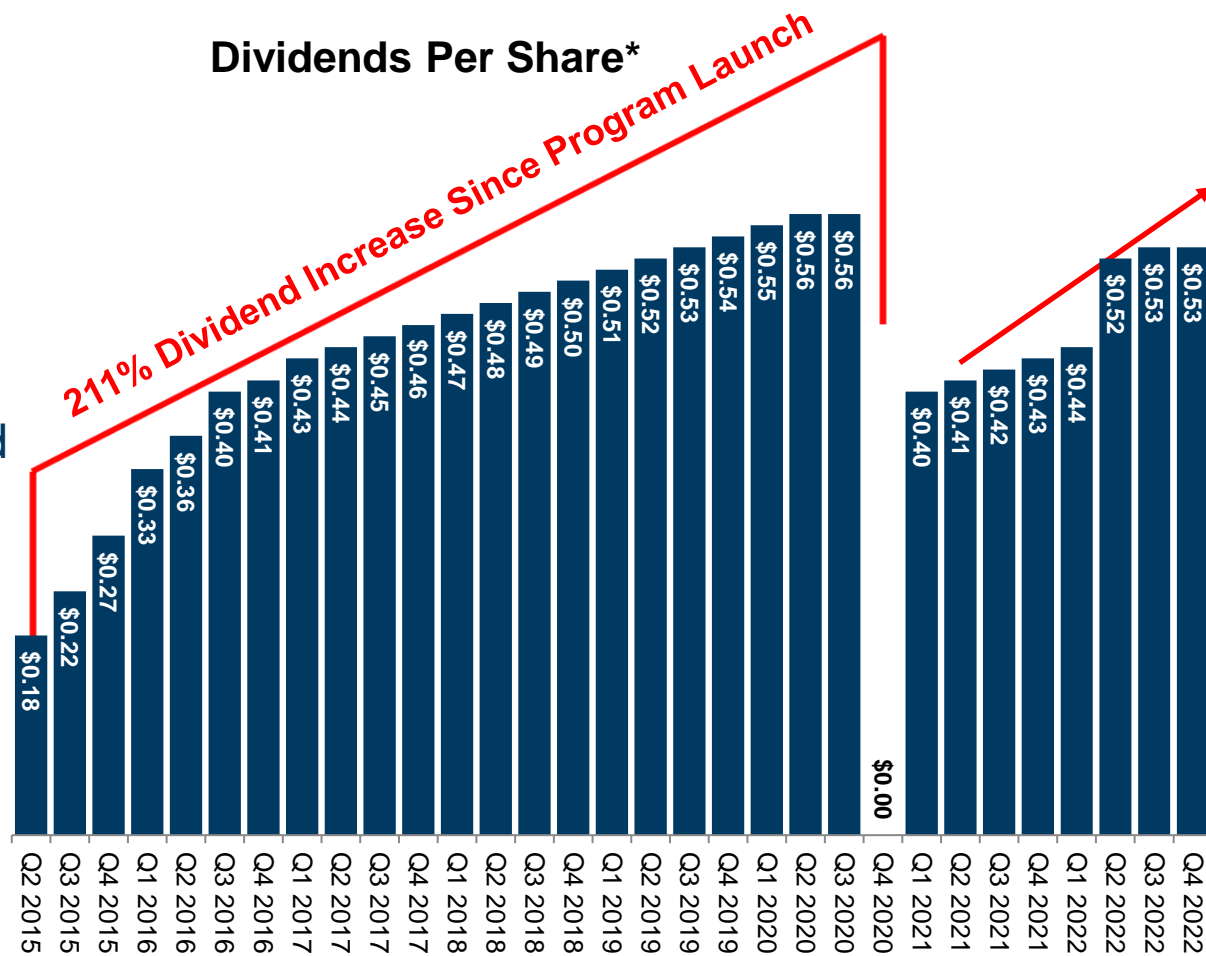


* At Fair Value for SBIC I and II assets

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

Long-Term Dividend Growth

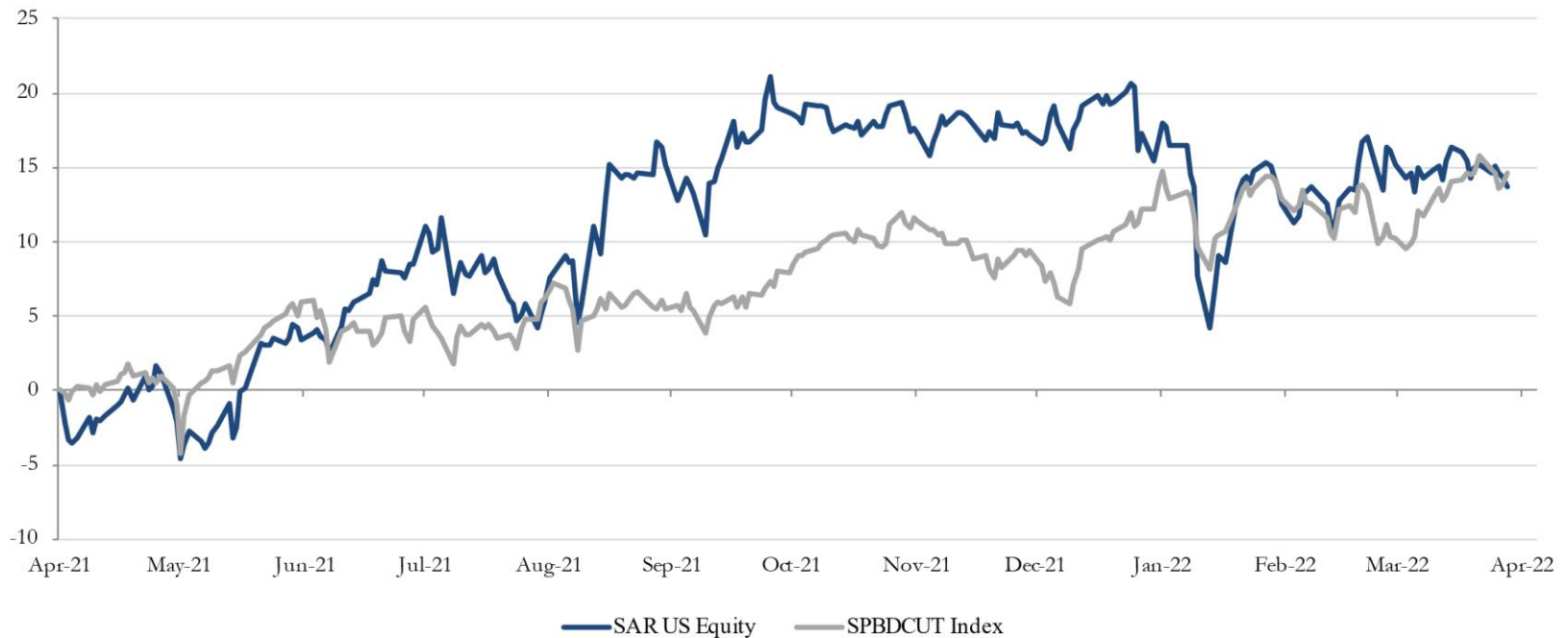
- Established dividend policy to pay regular quarterly cash dividends to stockholders pursuant to dividend reinvestment plan (“DRIP”) in 2014
- Increased dividend by 211% since program launch until last year-end deferral
- Increased dividend by 23% over past year with six sequential quarter increases
- Q4 FY22 dividend of \$0.53 declared and paid for the quarter ended February 28, 2022



*Excludes special dividend of \$0.20 per share paid on September 5, 2016

SAR LTM Total Return In Line with BDC Index

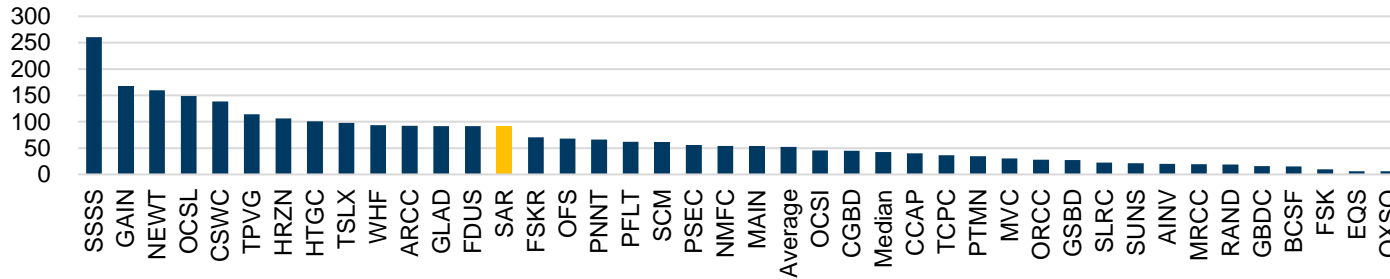
LTM Total Return (%)
(Apr 2021 to Apr 2022)
SAR 14% v BDC Index 14%



Long-Term Performance at Top of BDC Industry

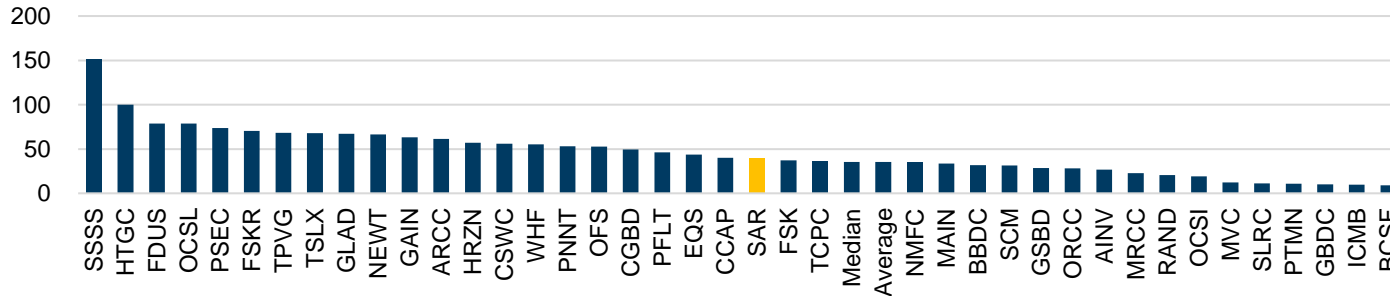
BDC Total Return (%)

Total Return 5Y (%)



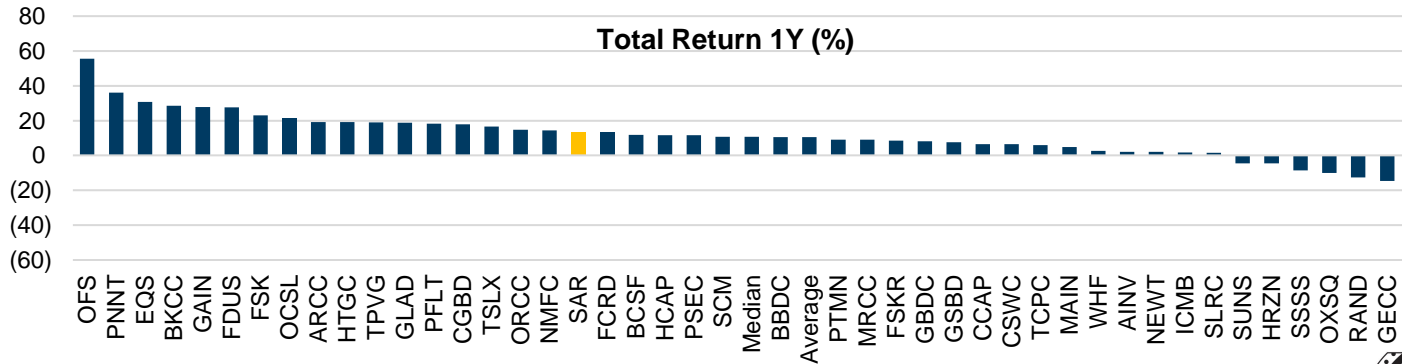
**Last 5 years:
91%**

Total Return 3Y (%)



**Last 3 years:
40%**

Total Return 1Y (%)

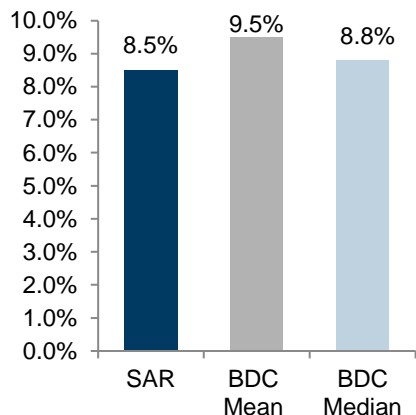


**Last 12 months:
14%**

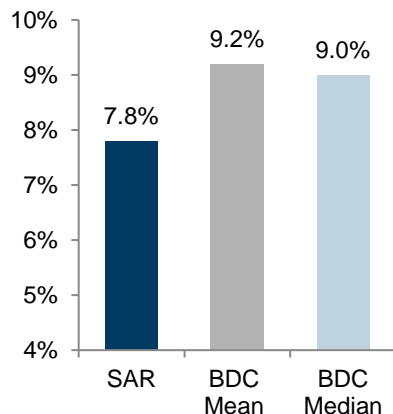


Differentiated Outperformance

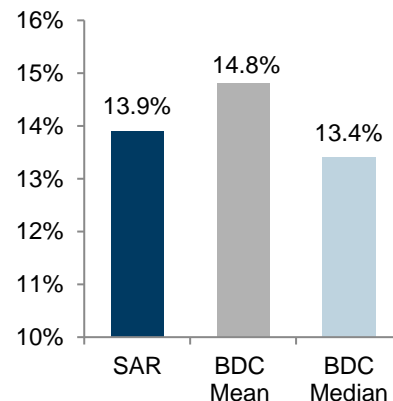
Interest % on Portfolio



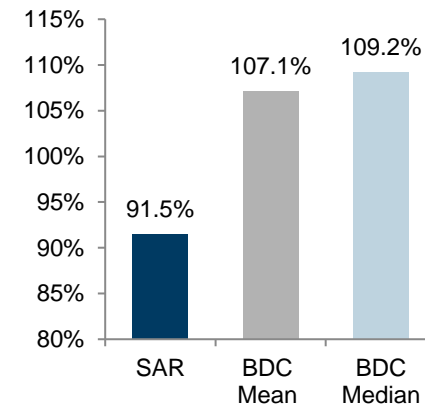
LTM NII Yield



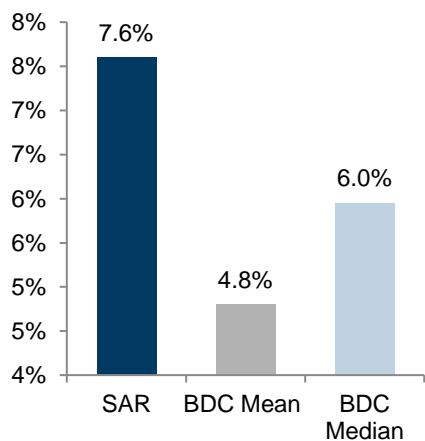
LTM ROE



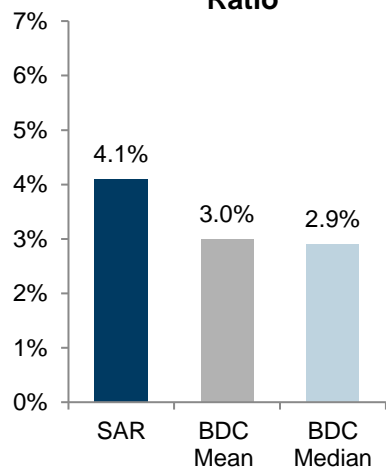
Regulatory Debt/Equity



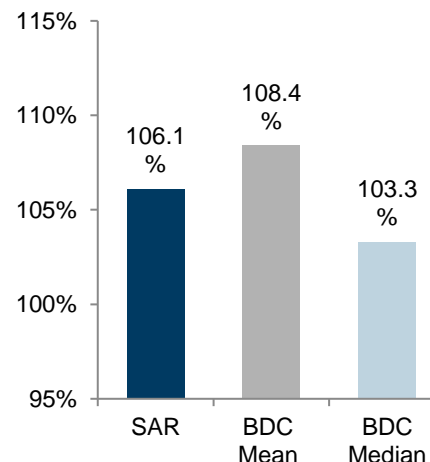
LTM NAV Per Share Growth



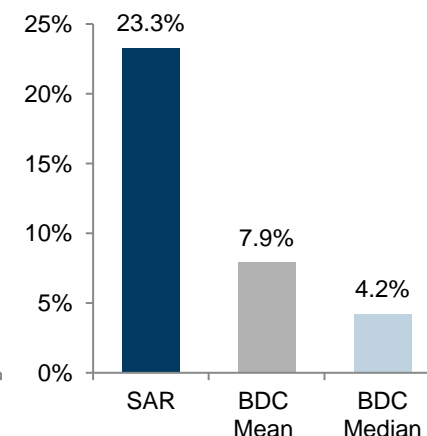
LTM Operating Expense Ratio*



Dividend Coverage



Year-Over-Year Dividend Growth



Source: SNL Financial / Company Filings / Raymond James report as of 4/8/22

* 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 15.6%.

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 February 28, 2022, up 23% last twelve months, represents current dividend yield of 8.1%; significant management ownership of 14%

▶ Strong return on equity

LTM ROE of 13.9% 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 20% as of quarter ended February 28, 2022 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 24% from last quarter and 47% from prior year, with fair value now 2.7% above cost for full portfolio

▶ Well-positioned for changes in interest rates

Approx. 97% 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 full 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, 99% of credits are the highest quality, 77% 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.

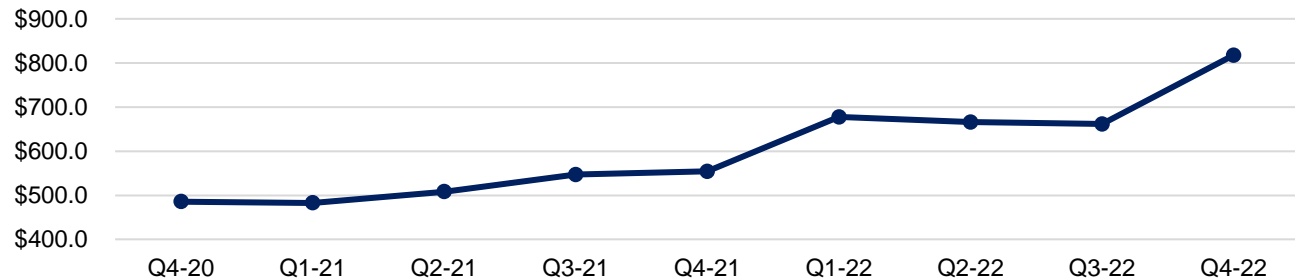
KPIs – Balance Sheet – Q4 FY22

Period	FMV Investment Portfolio (in millions)
Q4-20	\$ 485.6
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

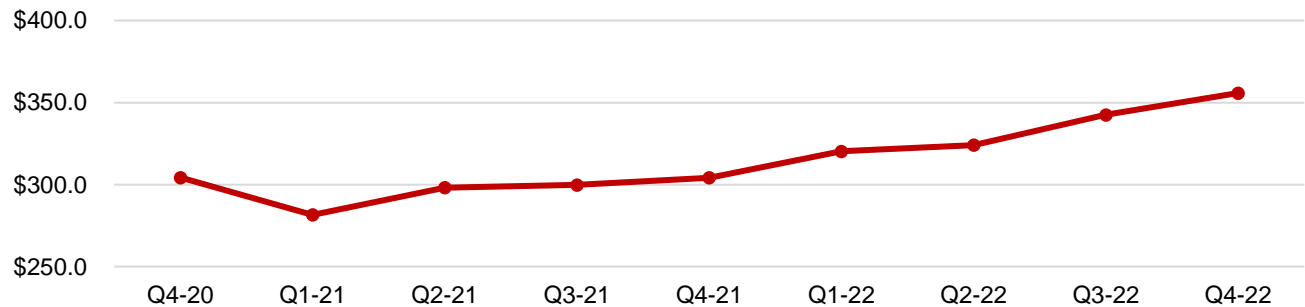
Period	NAV (in millions)
Q4-20	\$ 304.3
Q1-21	\$ 281.6
Q2-21	\$ 298.2
Q3-21	\$ 299.9
Q4-21	\$ 304.2
Q1-22	\$ 320.3
Q2-22	\$ 324.1
Q3-22	\$ 342.6
Q4-22	\$ 355.8

Period	NAV Per Share
Q4-20	\$ 27.13
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

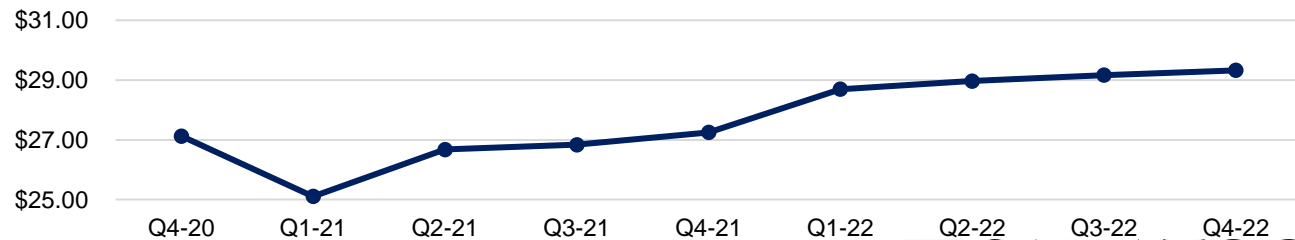
FMV Investment Portfolio (in millions)



NAV (in millions)



NAV Per Share

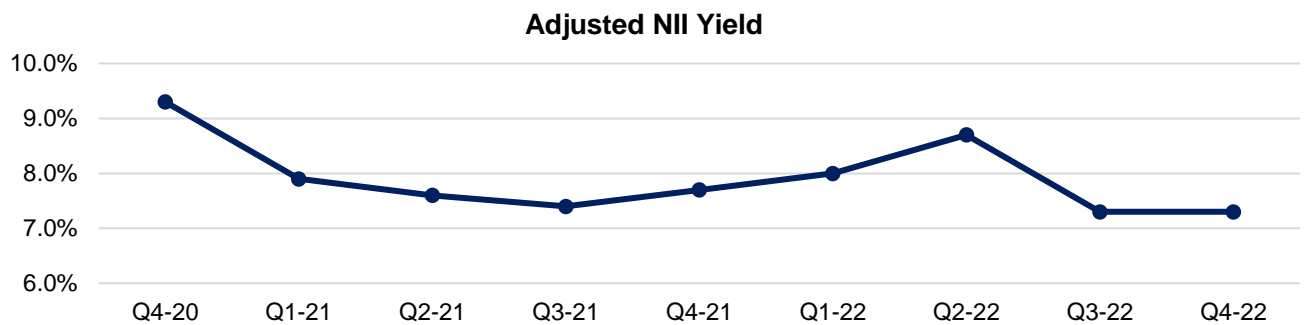
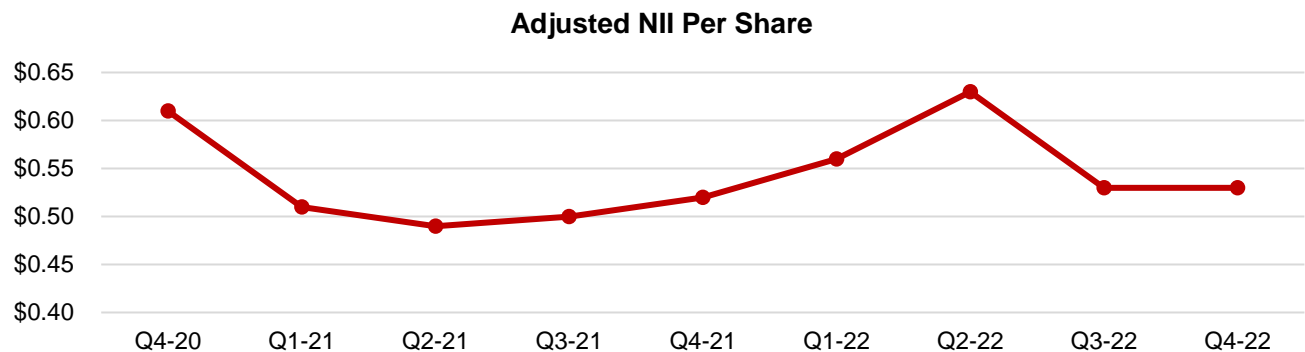
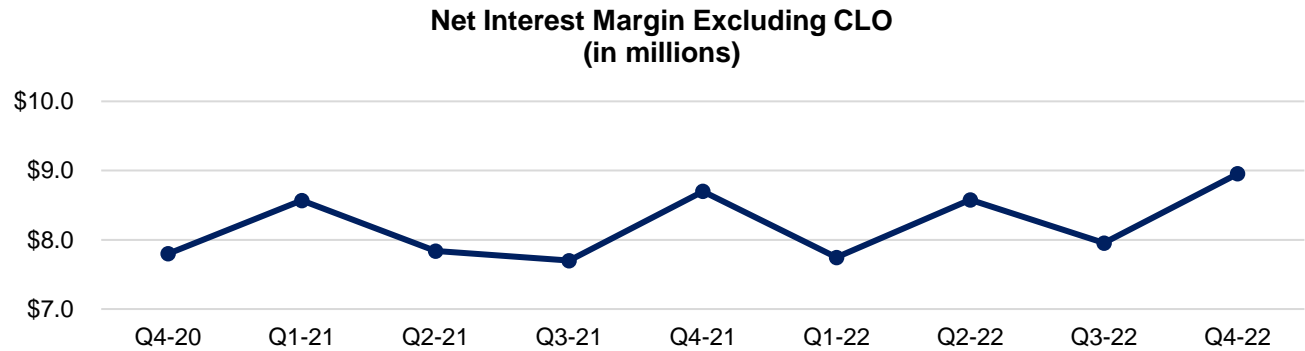


KPIs – Income Statement – Q4 FY22

Period	Net Interest Margin (in millions)
Q4-20	\$ 7.8
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

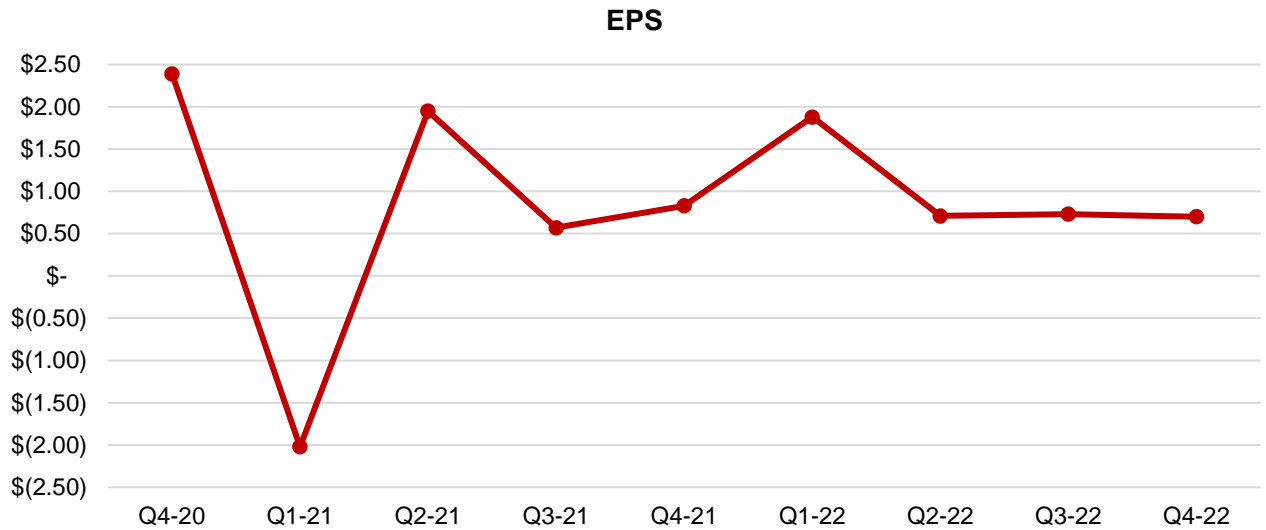
Period	NII Per Share
Q4-20	\$ 0.61
Q1-21	\$ 0.51
Q2-21	\$ 0.49
Q3-21	\$ 0.50
Q4-21	\$ 0.52
Q1-22	\$ 0.56
Q2-22	\$ 0.63
Q3-22	\$ 0.53
Q4-22	\$ 0.53

Period	NII Yield
Q4-20	9.3%
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%

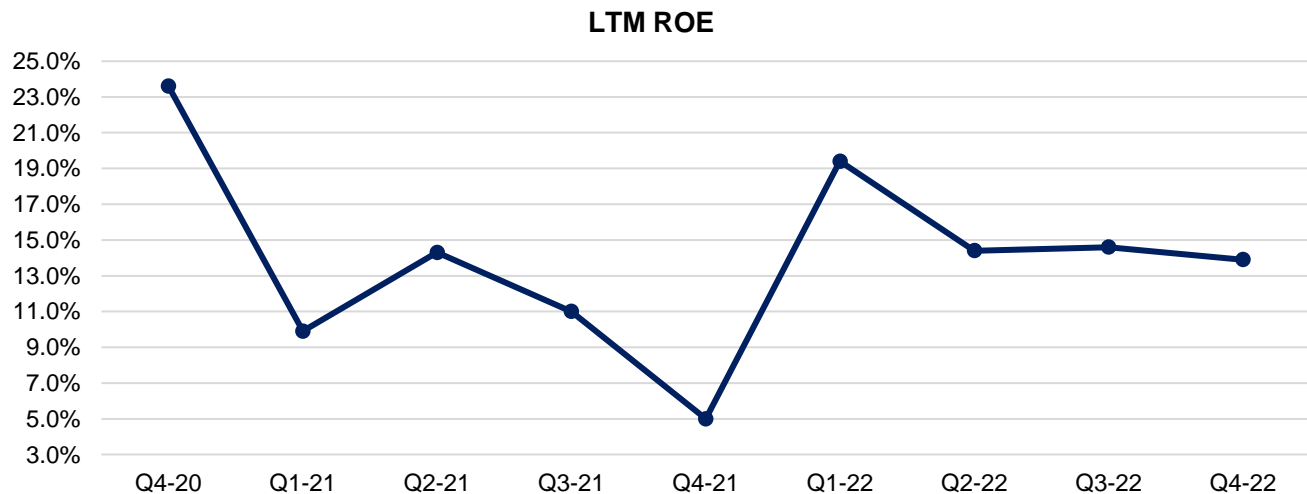


KPIs – Income Statement– Q4 FY22 (continued)

Period	EPS
Q4-20	\$ 2.39
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



Period	LTM ROE
Q4-20	23.6%
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%



KPIs - SAR Net Interest Margin

SAR has quadrupled its Net Interest Margin since taking over management

