

Saratoga Investment Corp.

**Fiscal Third Quarter 2023
Shareholder Presentation**

January 11, 2023



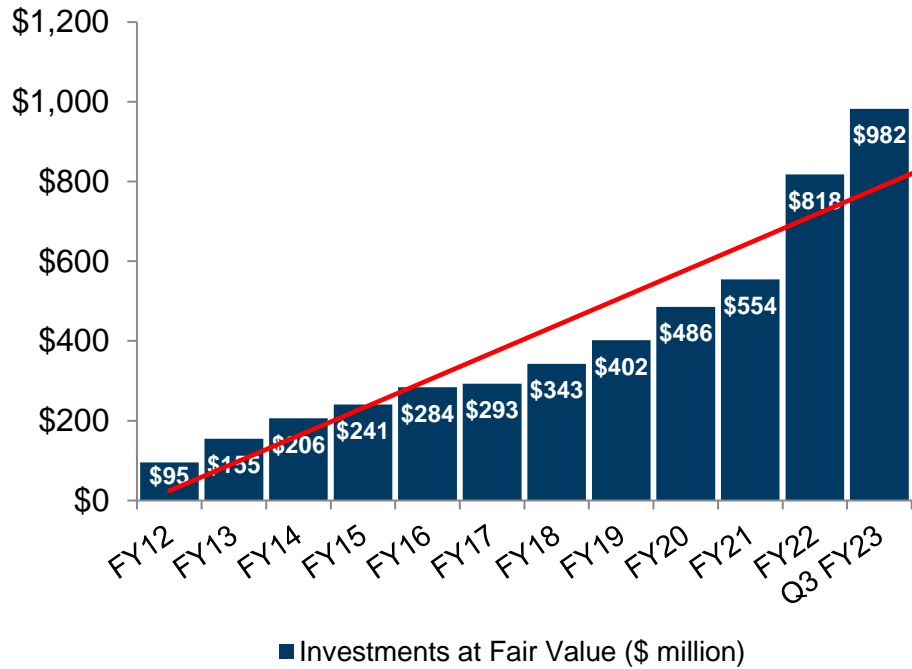
Continued Growth and Strong Long-Term Performance

Fiscal Third Quarter 2023 Highlights:

- Continued high quality portfolio and strong performance
 - Investment quality remains strong
 - 96.0% of loan investments with highest internal rating and only one non-accrual (1.0% of fair value, 1.6% of cost)
 - Return on equity of 4.0% for LTM, as compared to industry average of 3.1%
 - Net unrealized depreciation of \$3.2 million for Q3, includes approximately \$5.8 million net unrealized depreciation related to our CLO and JV investments in the broadly syndicated loan market, offset by approximately \$2.6 million net unrealized appreciation on the remaining core BDC portfolio
 - Gross Unlevered IRR of 11.2% on total unrealized portfolio as of November 30, 2022
 - Fair value of \$982.0 million is 0.5% below total cost of portfolio
 - Gross Unlevered IRR of 16.4% on \$879.4 million of total realizations
- Consistent strong long-term originations contribute to growing assets under management
 - AUM up 20% since year-end, up 3% since Q2 and up 48% year-over-year, with originations of \$87.6 million in Q3, resulting from strong pipeline and healthy success in term sheets and deals executed
 - 98% of our interest earnings portfolio is floating rate
- Base of liquidity and capital remains strong
 - Quarter-end pro forma liquidity allows growth of AUM by 18% and is mostly long-term
 - \$47 million is cash with \$25 million additional liquidity available on the credit facility
 - Application for third SBIC license approved, providing \$107.3 million in additional current liquidity
 - Post quarter-end, a new \$60.4 million 8.125% 2027 baby bond was raised (including green shoe)
- Declared dividend of \$0.68 per share for the quarter ended November 30, 2022, a \$0.14 or 26% increase, paid on January 4, 2023
- Key performance indicators for Q3 and versus Q2 - Adjusted NII of \$9.1 million (up 31%), Adjusted NII per share of 77c (up 33%), LTM ROE of 4.0% (down 80bps) and NAV per share of \$28.25 (down 2c)

Continued Asset Growth and Strong Credit Quality

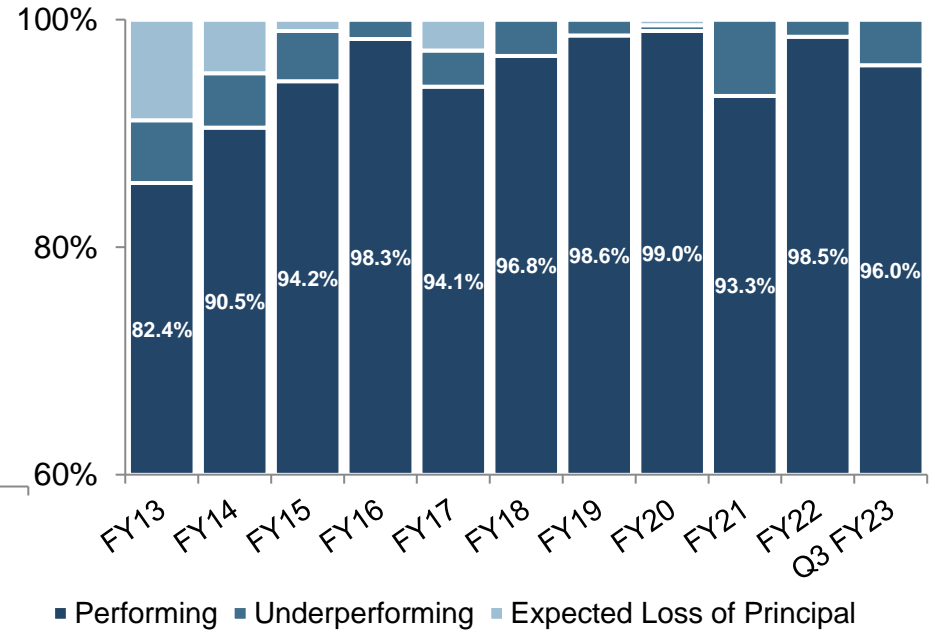
Asset Base Expansion Trend



Fair value of AUM increased 48% year-over-year, 20% since year-end and 3% since last quarter

Fair value of \$982m at Q3 FY23 is 0.5% below cost

Overall Credit Quality Remains Strong



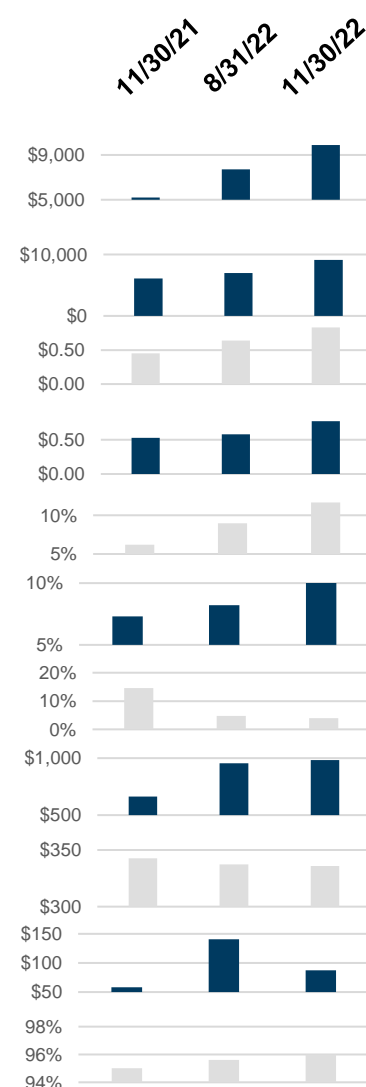
96.0% of our SAR loan investments hold our highest internal rating, up from 95.6% last quarter; one investment on non-accrual at quarter-end (1.0% of fair value, 1.6% of cost)*

* Excludes our investment in our CLO and our equity positions

Q3 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)	November 30, 2021	August 31, 2022	November 30, 2022
Net investment income	\$5,197	\$7,698	\$9,877
Adjusted net investment income*	\$6,091	\$6,959	\$9,126
Net investment income per share	\$0.45	\$0.64	\$0.83
Adjusted net investment income per share*	\$0.53	\$0.58	\$0.77
Net investment income yield	6.2%	9.0%	11.7%
Adjusted net investment income yield*	7.3%	8.2%	10.8%
Return on Equity – Last Twelve Months	14.6%	4.8%	4.0%
Fair value of investment portfolio	\$661.8	\$954.7	\$982.0
Total net assets	\$342.6	\$337.2	\$335.8
Investments in new/existing portfolio companies	\$58.6	\$140.6	\$87.6
Loan Investments held in “Performing” credit ratings	95.0%	95.6%	96.0%



*Adjusted for accrued capital gains incentive fee expense, interest expense on SAK baby bond during the period that SAT baby bond was issued prior to repayment, and interest expense on SAF baby bond during the period that 2026 Notes was issued prior to repayment, reconciliation to GAAP net investment income, net investment income per share and net investment income yield included in our fiscal third quarter 2023 earnings release.



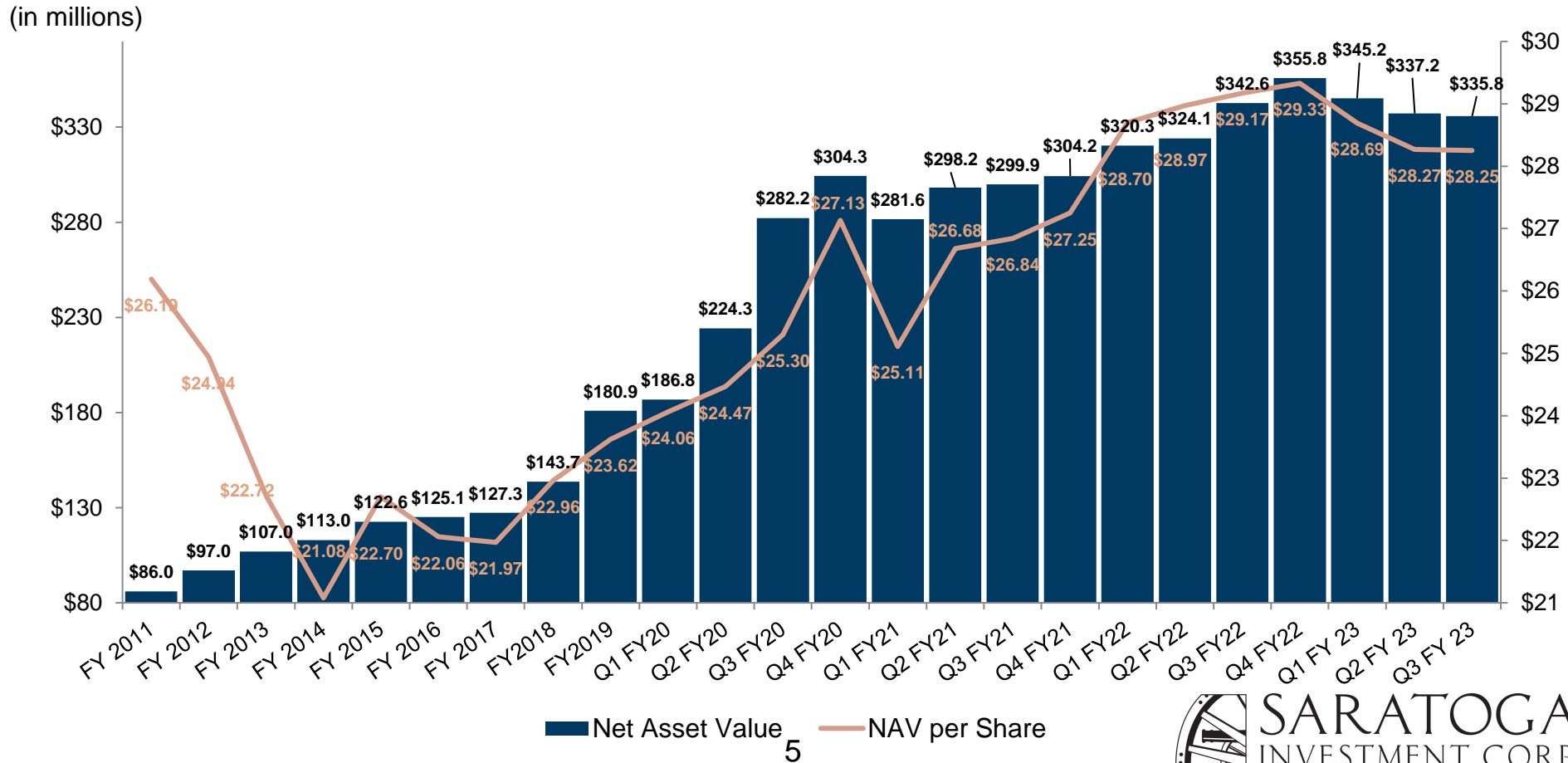
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Long-Term Accretive NAV and NAV Per Share Growth

Net Asset Value and NAV per Share (FY11 to Q3FY23)

NAV: 0.5% decrease this quarter. 290% increase since Saratoga took over management.

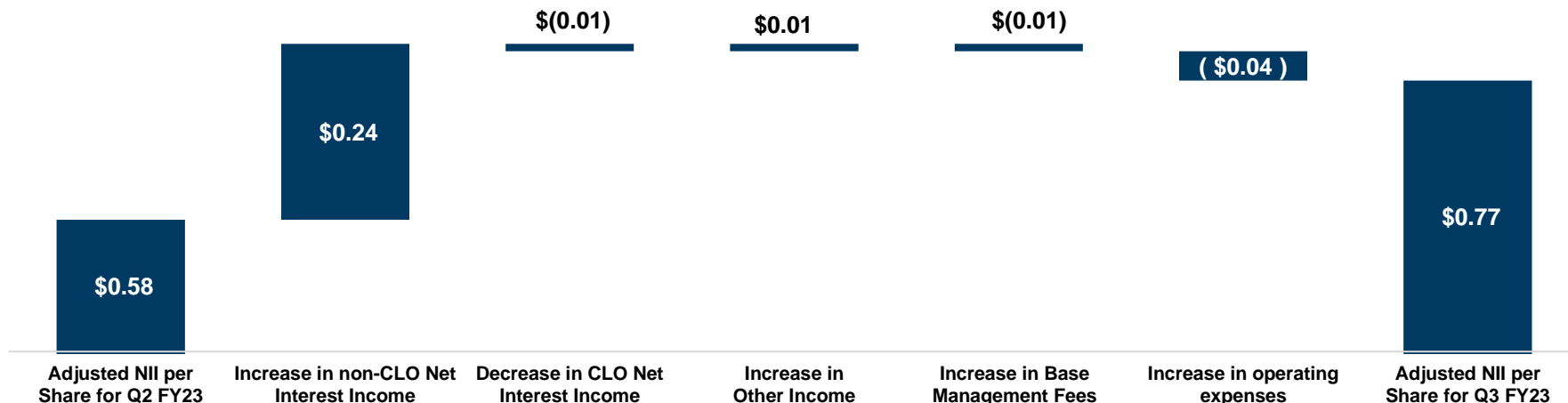
NAV/Share: Decrease of 0.1% this quarter. 23% increase since FY18 with increases 15 of the last 19 quarters.



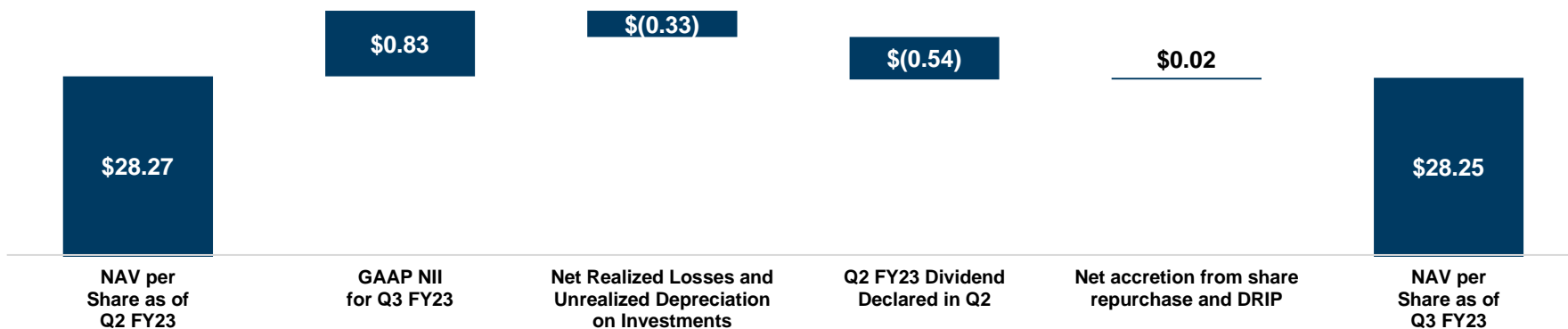
Quarterly Reconciliation of NII and NAV per Share

Reconciliation of Quarterly Adjusted NII per Share

- Impacts are shown net of incentive fees
- Zero net accretion/dilution from share repurchase plan and DRIP.



Reconciliation of Quarterly NAV per Share



Dry Powder Remains Available

(As of November 30, 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 Years	Floating
SBA Debentures	SBIC I	\$67.7 million	\$67.7 million	\$0.0 million	2-6 years	Fixed
	SBIC II	\$175.0 million	\$175.0 million	\$0.0 million	8-10 years	Fixed
	SBIC III	\$175.0 million	\$0.0 million	\$107.3 million*	10 years	Fixed
Publicly-Traded Notes (at par value)**	SAT	\$105.5 million	\$105.5 million	\$0.0 million	5 Years	Fixed
	SAJ	\$46.0 million	\$46.0 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)		\$32.0 million	\$32.0 million	\$0.0 million	3-5 Years	Fixed
Cash and Cash Equivalents		\$47.0 million	\$47.0 million	\$47.0 million	-	-

Total Available Liquidity (at quarter-end): \$ 179.3 million**

Ability to grow AUM by 18% without any new external financing as of November 30, 2022 (including new SBIC license)

- SBIC III debentures are generally not available to support existing BDC or SBIC I or SBIC II investments.

* Total availability for all combined SBIC licenses limited to \$350.0 million outstanding debentures.

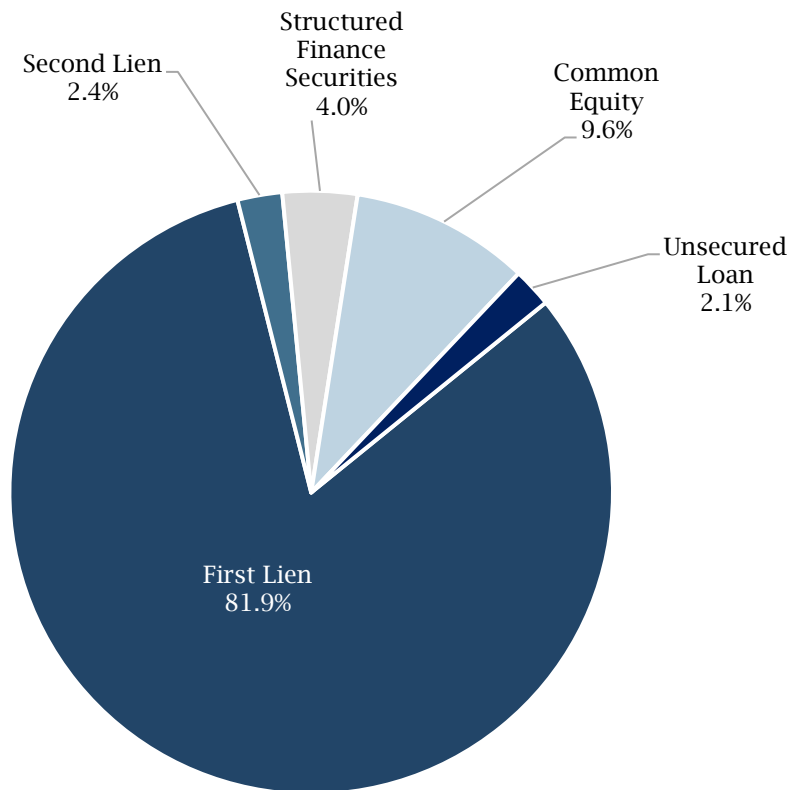
** In December 2022, the SAY 8.125% 2027 baby bond of \$60.4 million was issued, generating net proceeds of \$58.1 million



Portfolio Composition and Yield

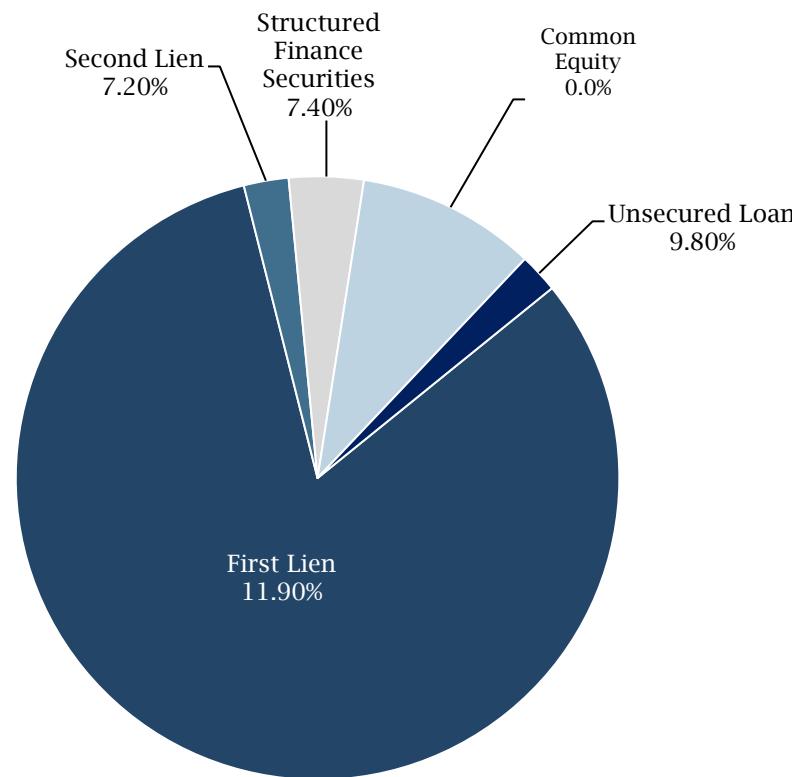
Portfolio Composition – \$982.0m

(Based on Fair Values
as of November 30, 2022)



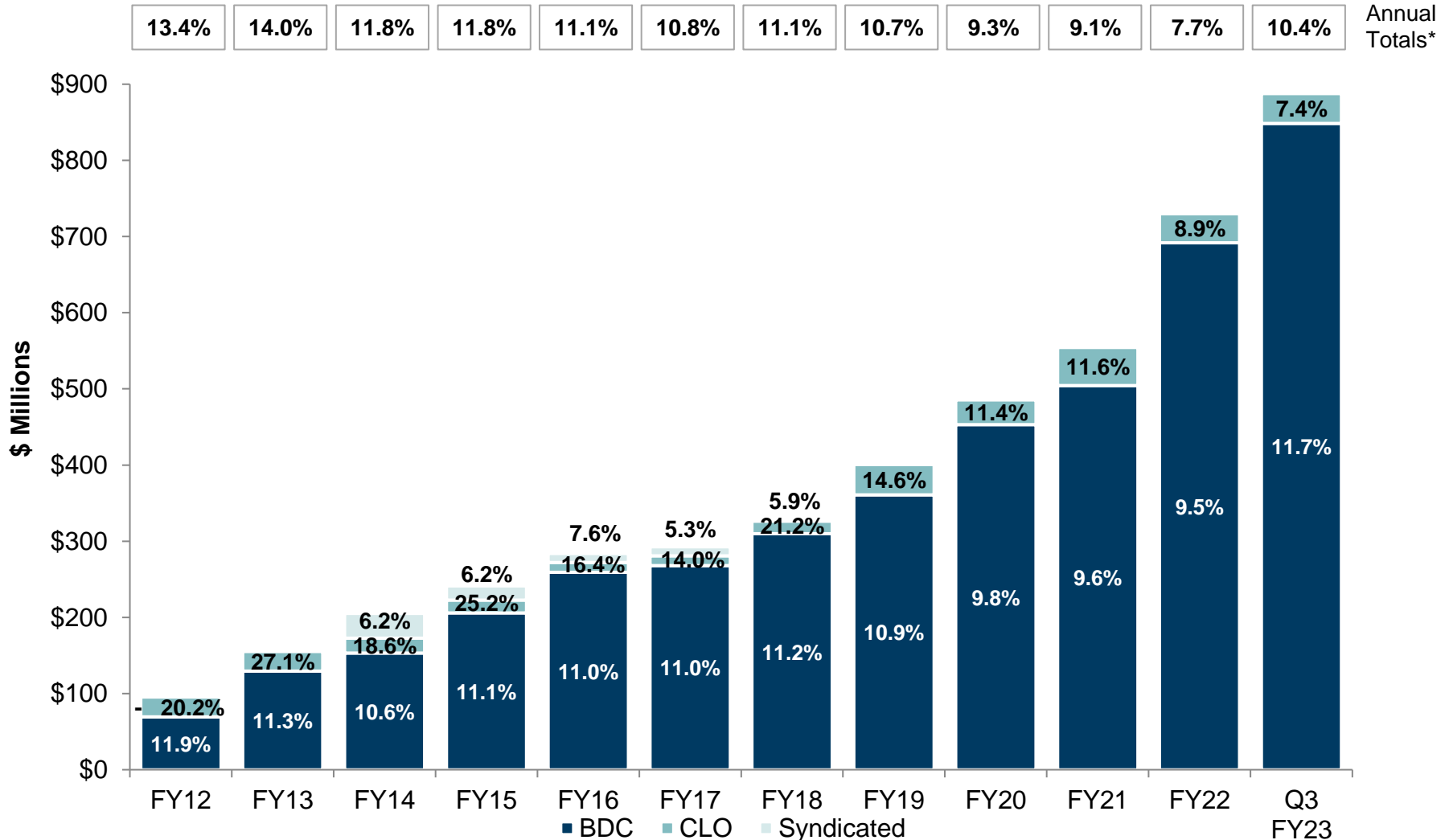
Portfolio Yield – 10.4%

(Weighted Average
Current Yield of Existing Portfolio)



Yield of BDC Growing With Rising Rates

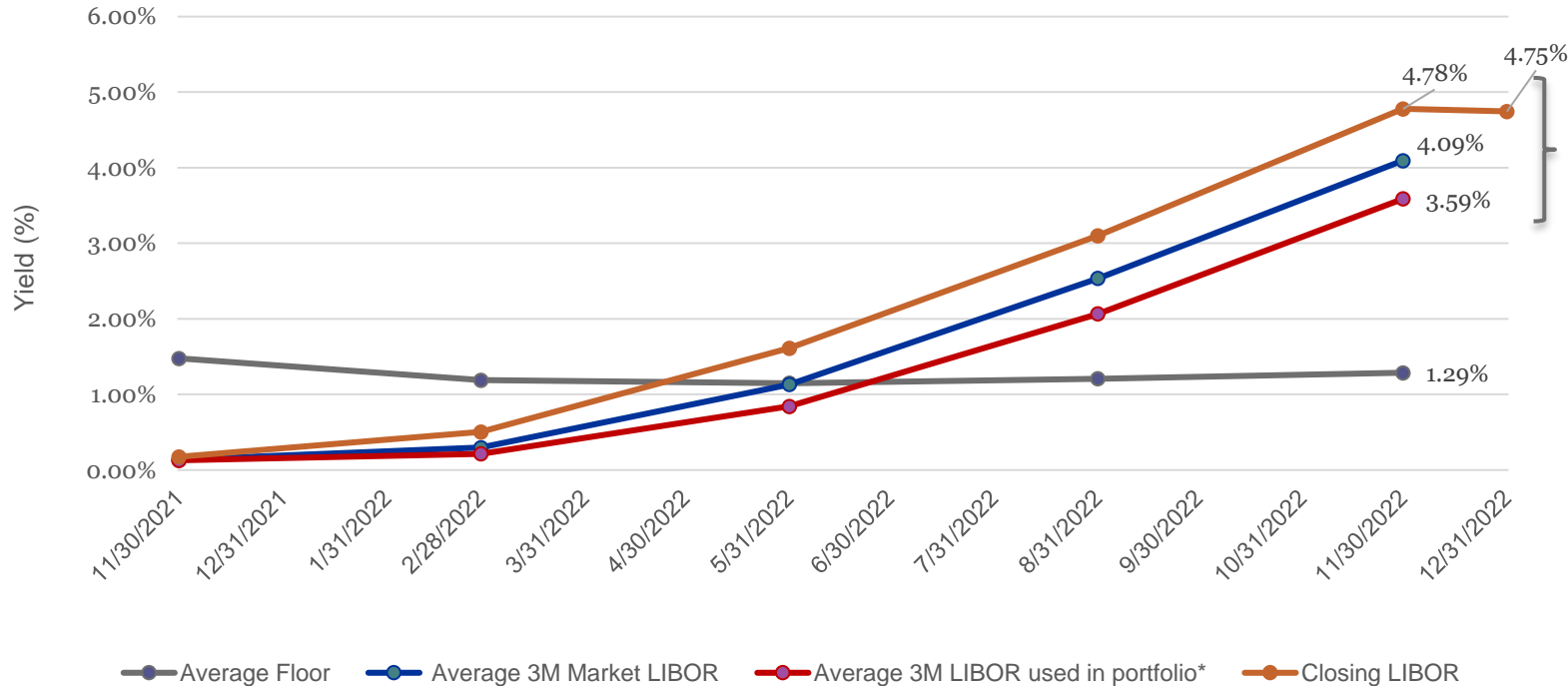
Weighted Average Current Yields



* 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.

Accretive Impact of Increased Rates with Lag Effect on Earnings

3-Month LIBOR Impact on Portfolio*



Q3 actual earnings do not reflect full quarter impact of Q3 average rate increase (50bps) nor quarter-end closing rate difference (another 69bps), LESS impact of December decrease of 3-month LIBOR to 4.75% (3 bps).

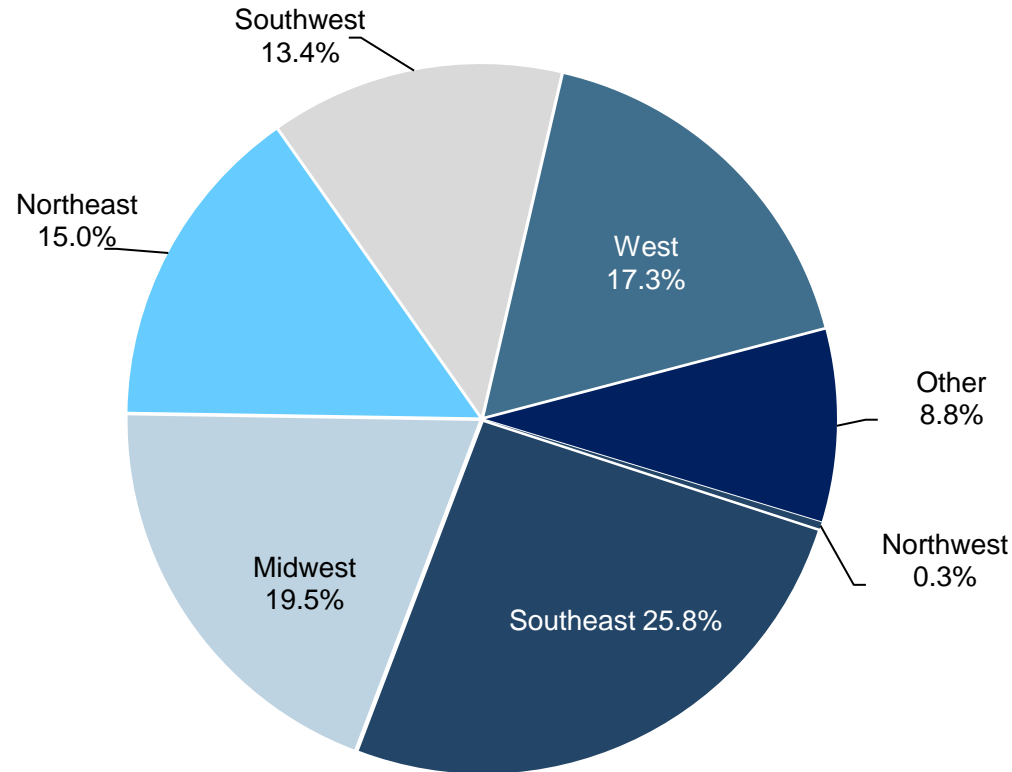
98% of our interest earning assets are variable rate

96% of our borrowings (all debt except \$25 million credit facility) are fixed rate

*For illustrative purposes only includes Saratoga investments with 3-month LIBOR as reference rate. Impact of 3-month SOFR is similar

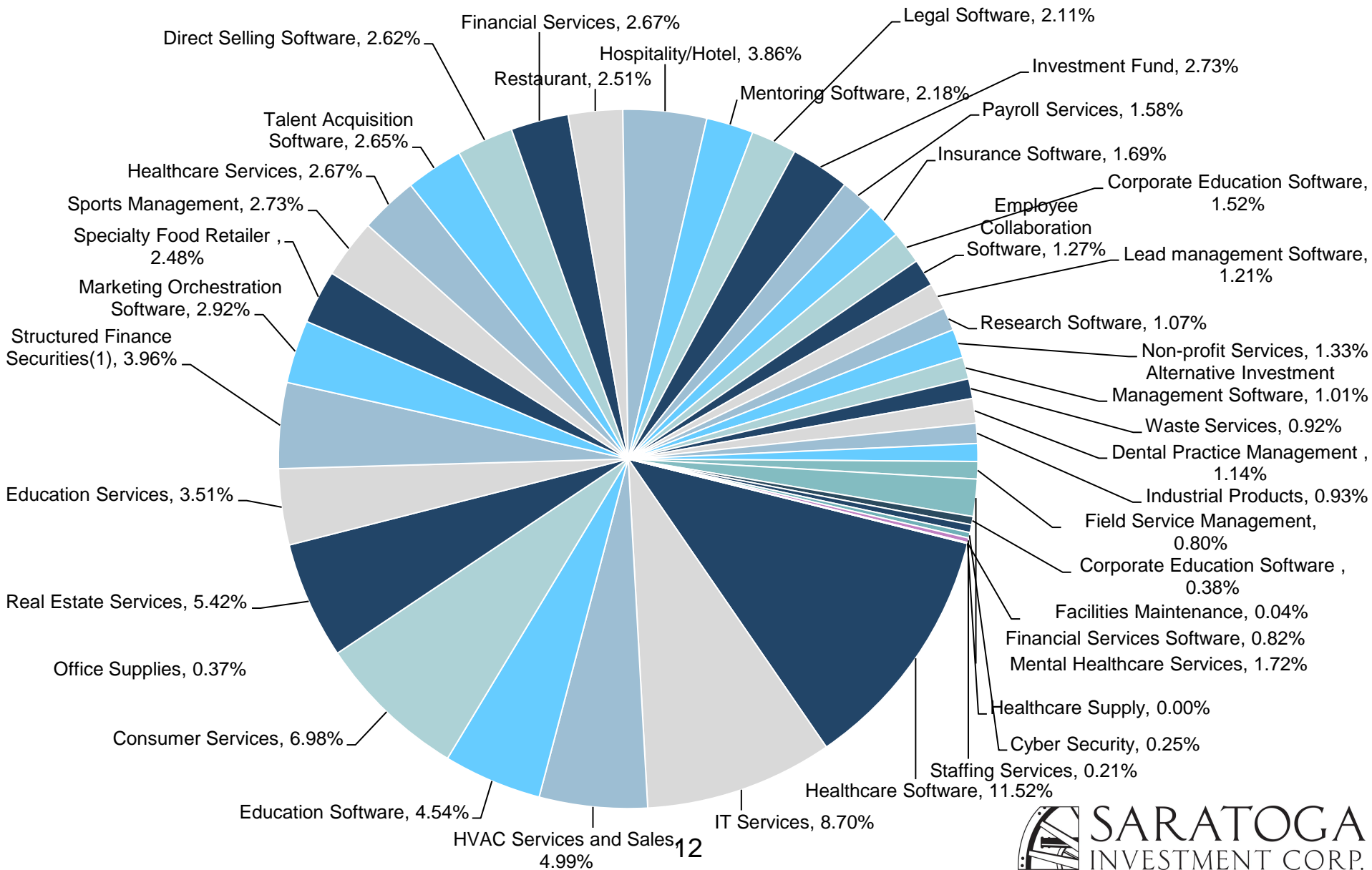
Diversified Across Geography

Investments Diversified Geographically



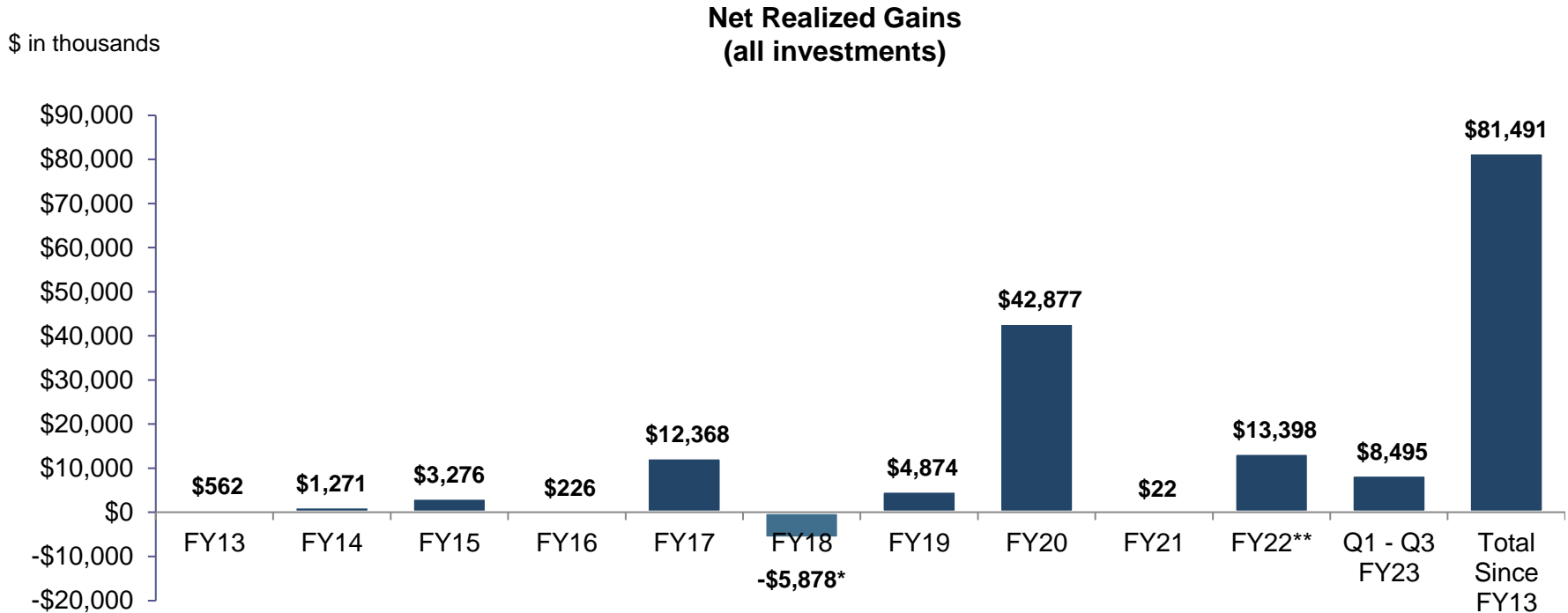
Diversified Across Industry

Investments across 39 distinct industries



Net Realized Gains Help Protect Shareholder Capital

Cumulative net realized gains reflect portfolio credit quality



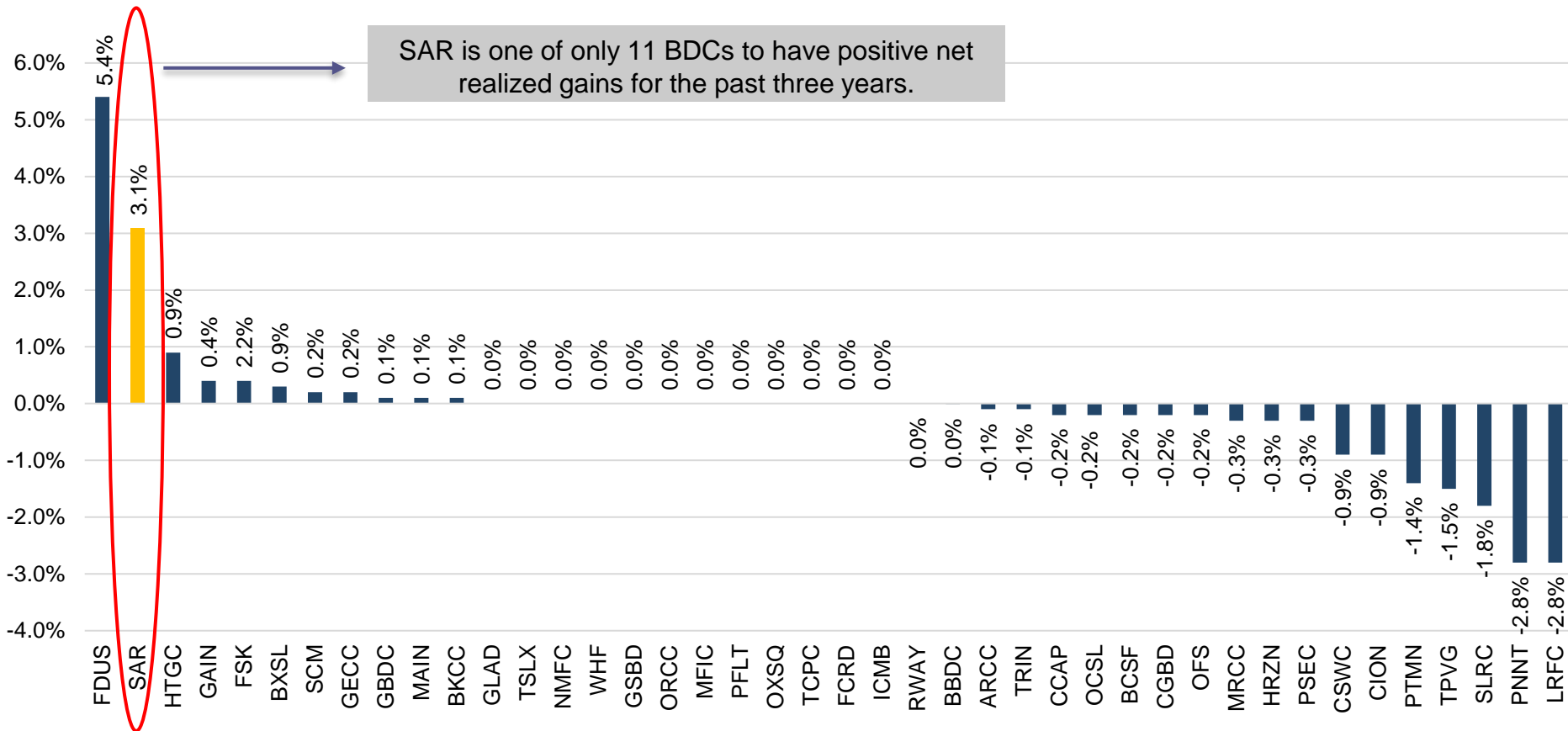
* Reflects realized loss on My Alarm Center investment of \$7.7m less \$1.8m in other realized gains in FY18.

** 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 and targus legacy investment)

Strong Net Realized Gains Flow from Disciplined Underwriting

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

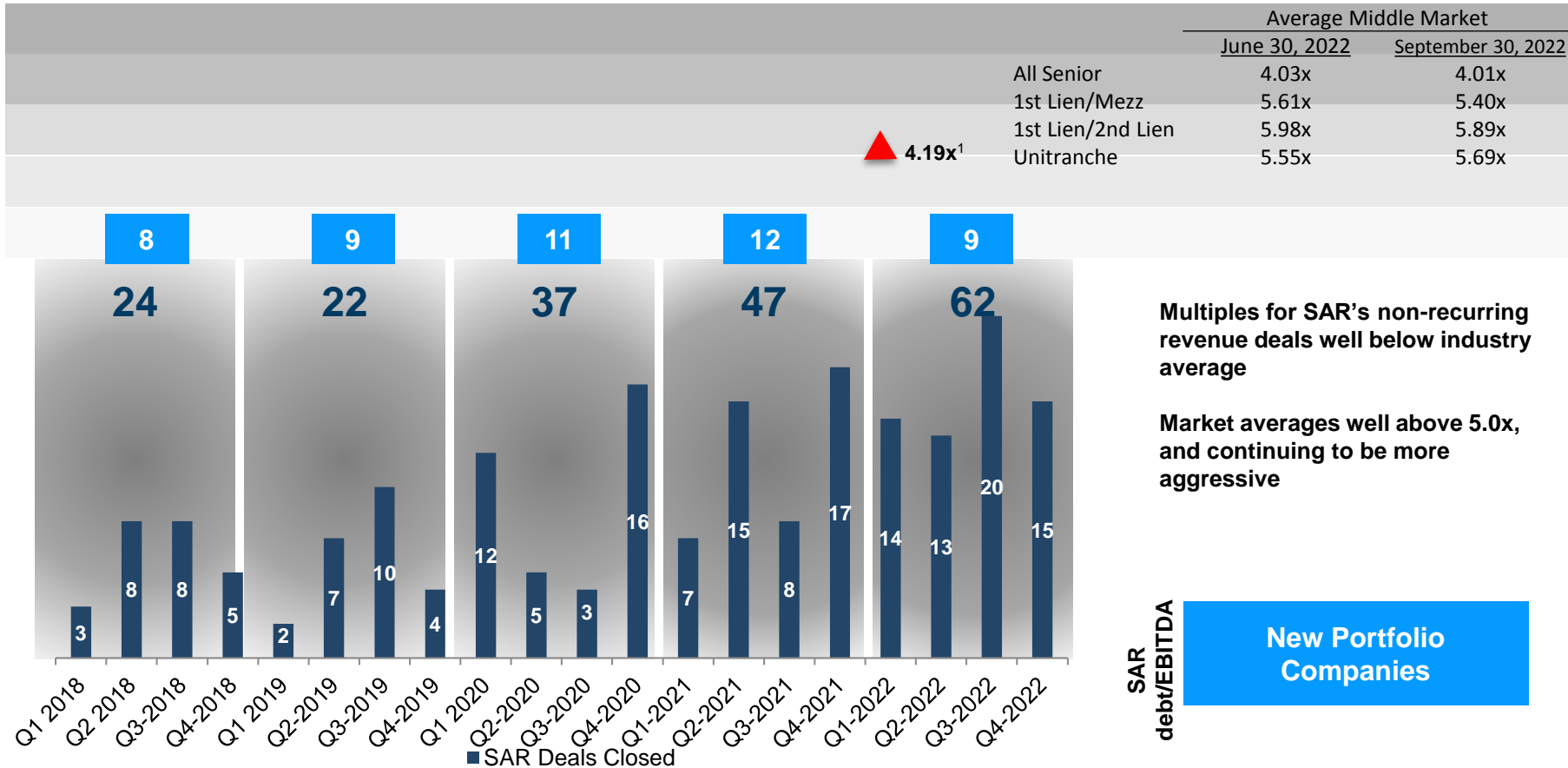


*Source: Ladenburg Thalmann - calculated as three year average realized gains as proportion of average cost
SAR data excludes legacy investments not originated by Saratoga management

Exercising Disciplined Investment Judgment While Growing Origination Pace

SAR Debt Multiples/Deals Closed (2018-2022)

Portfolio leverage with non-recurring revenue underwriting is 4.19x^{1^}



*Calendar quarters, not fiscal

¹Excludes 24 loans underwritten using recurring revenue metrics. These recurring revenue loans would have significantly different portfolio leverage statistics.

[^]Excludes our two yellow assets, Knowland and Pepper Palace. Leverage 5.46x including these two investments

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

Pipeline Growth Interrupted by COVID-19

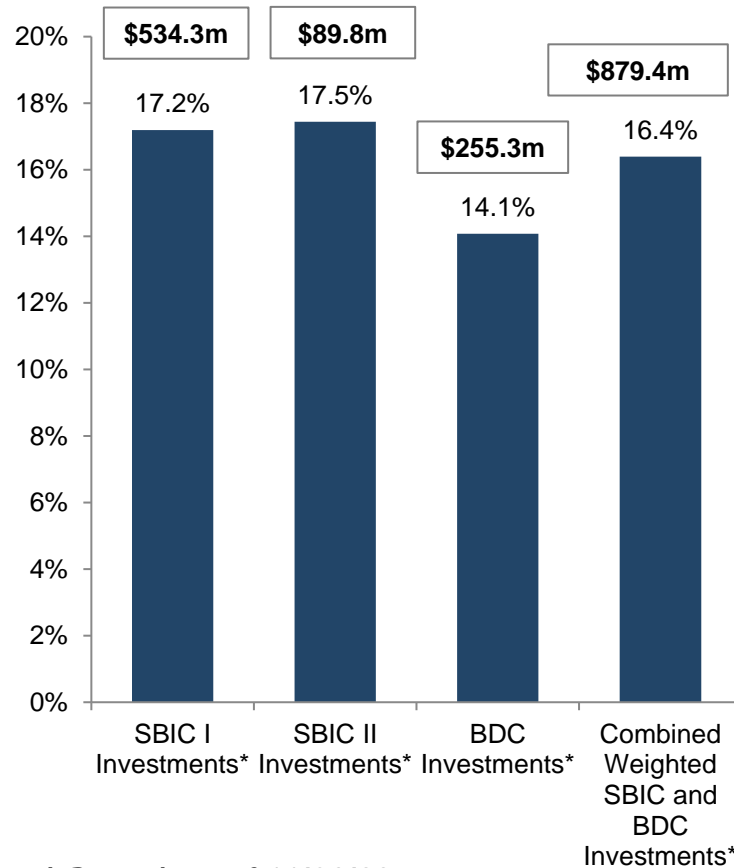
New business opportunities severely impacted by COVID-19 but healthy success in term sheets and deals executed driven by investments in team and strong reputation

Calendar*	2018	Δ	2019	Δ	2020	Δ	2021	Δ	2022	
Deals Sourced	846	2%	863	-28%	619	-8%	572	-18%	469	<ul style="list-style-type: none"> ~69% of deal flow from private equity sponsors ~31% 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	<ul style="list-style-type: none"> ~83% 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	32%	62	<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		9	<ul style="list-style-type: none"> Nine new portfolio companies during LTM Q4 2022 Saratoga new portfolio company investments average ~ 2% of deals reviewed

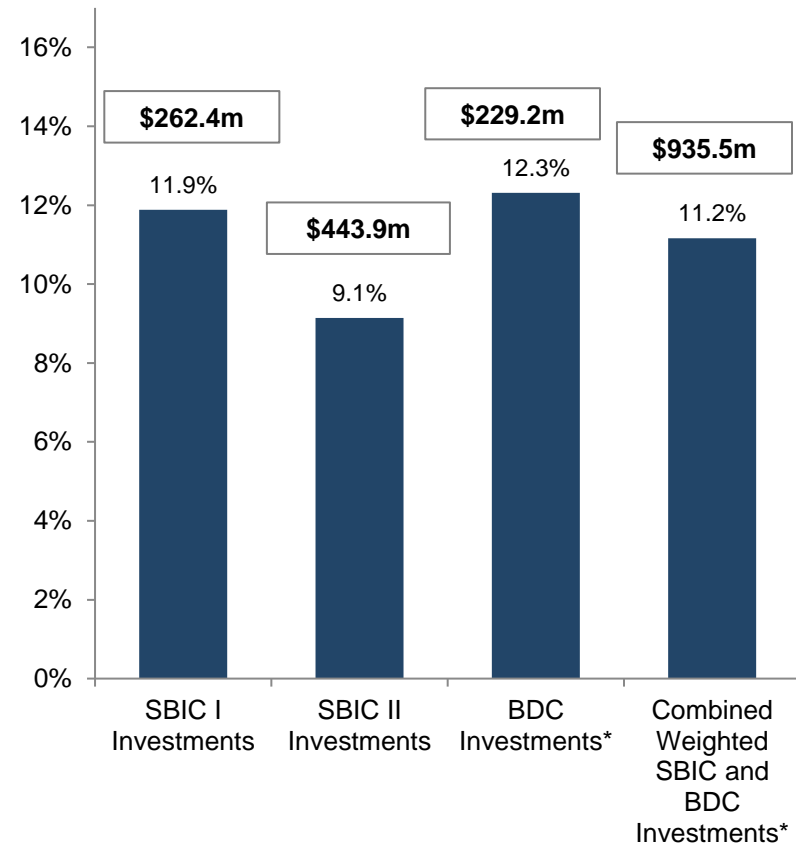
*Calendar quarters, not fiscal quarters.

Demonstrated Strong Track Record

Realized Investments
(Gross Unlevered IRR%)



Unrealized Investments ¹
(Gross Unlevered IRR%)

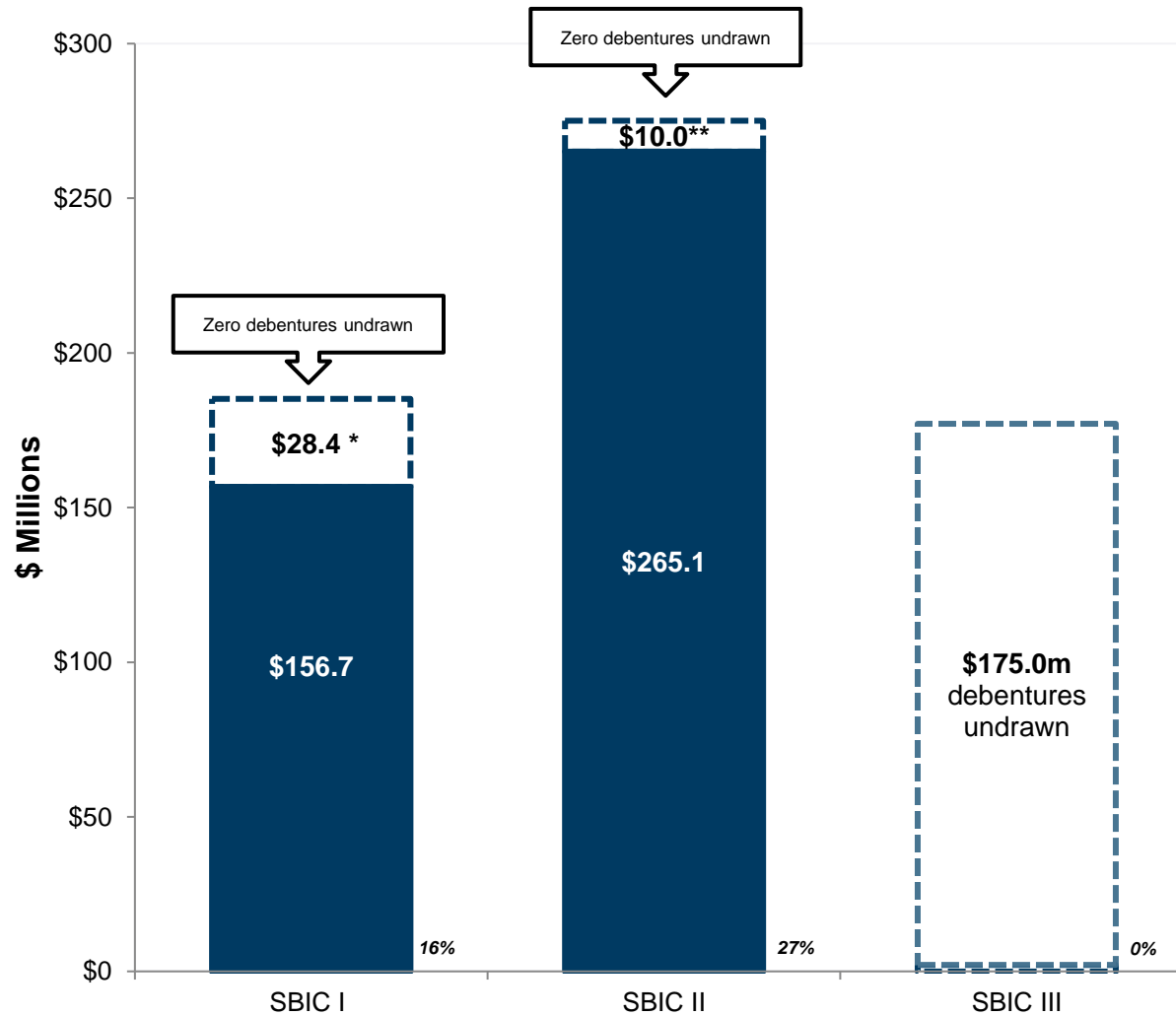


Track Records as of 11/30/22

¹ IRRs for unrealized investments include fair value and accrued interest as of 11/30/2022

* 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 and II Fully Funded - SBIC III Fully Available

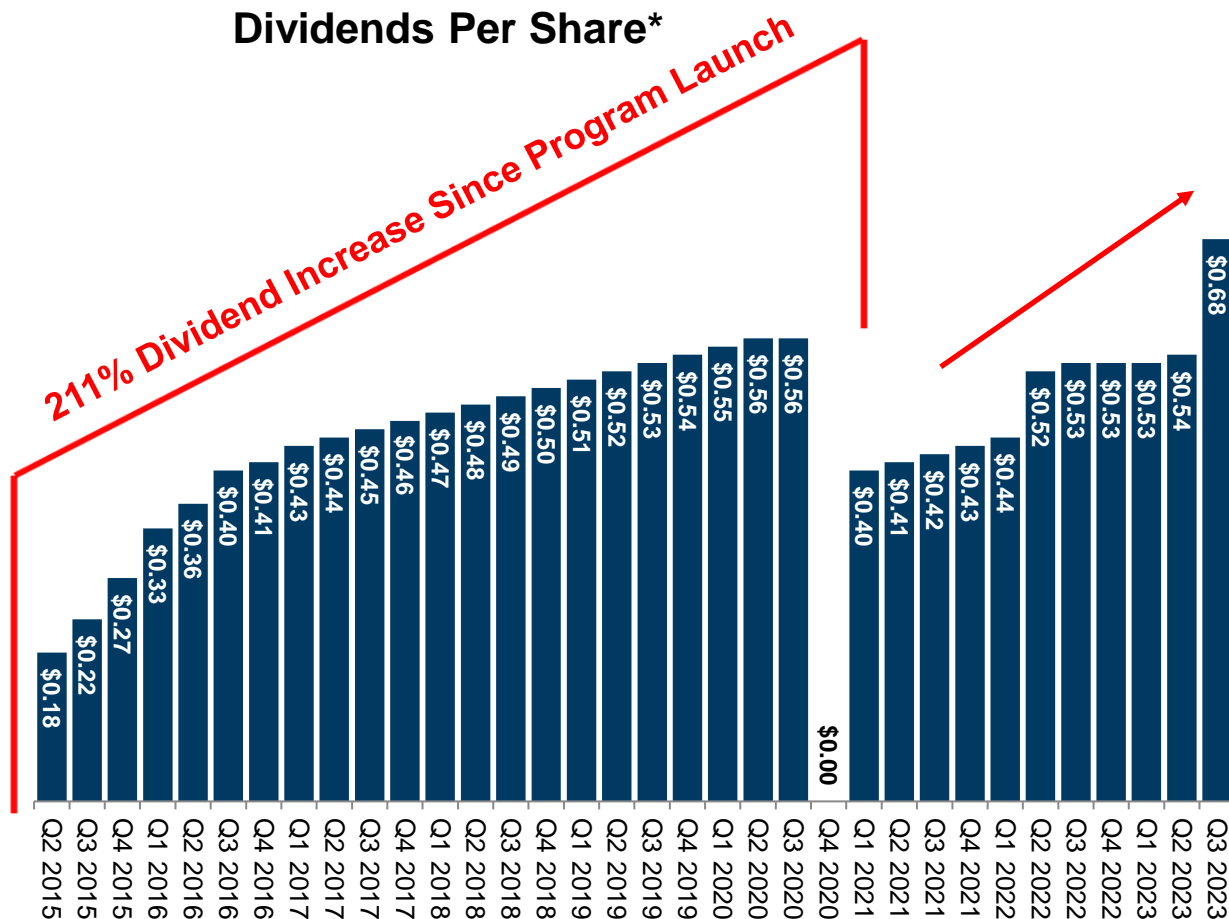


* SBIC I cash only available for debenture repayments and small follow-ons

** Cash available for new originations and follow-ons in SBIC II and III

Long-Term Dividend Growth

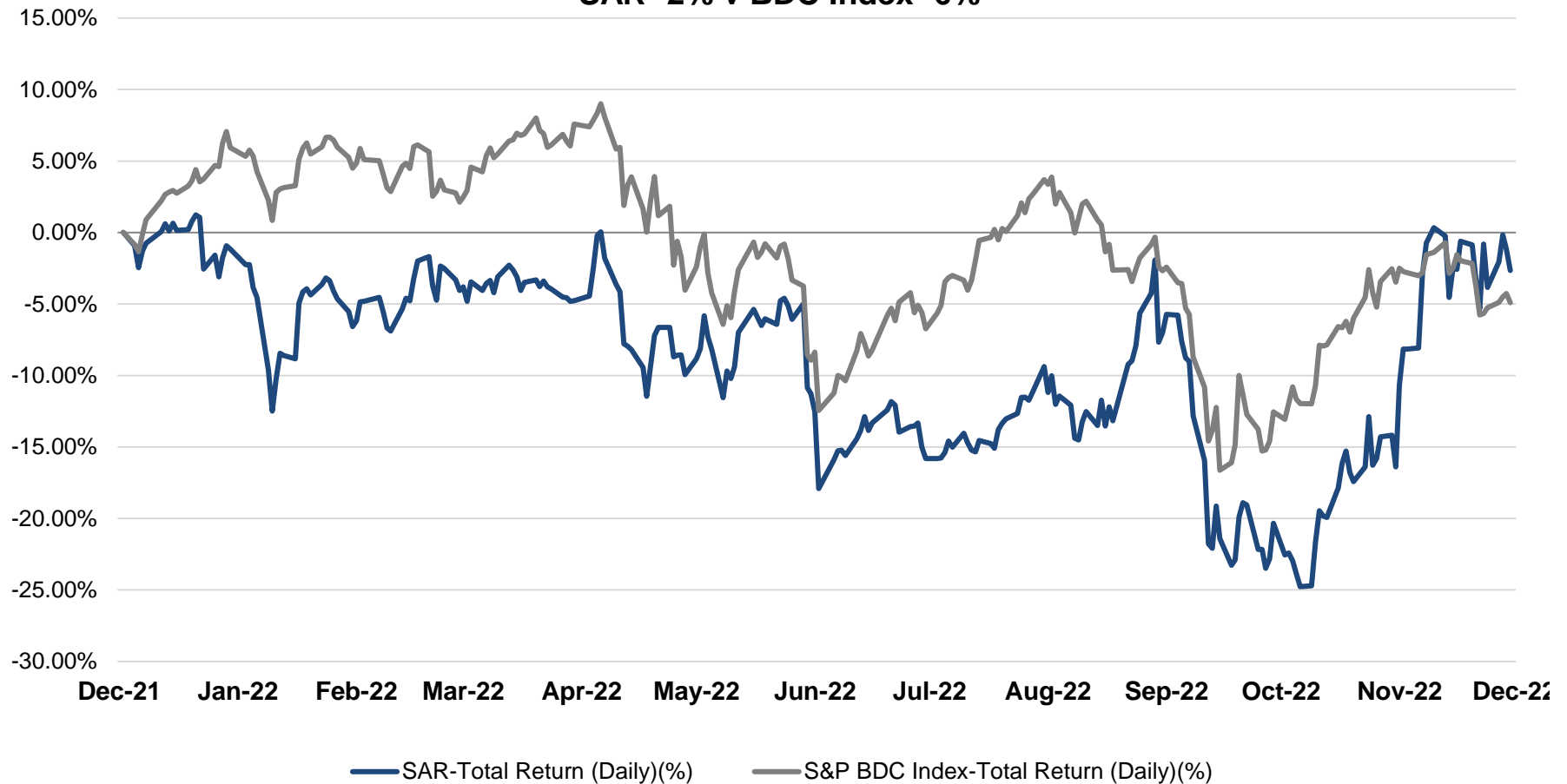
- Established dividend policy to pay regular quarterly cash dividends to stockholders pursuant to dividend reinvestment plan (“DRIP”) in 2014
- Increased dividend by 211% since program launch until last year-end deferral
- Increased dividend by 55% over past eighteen months, with a 26% increase this past quarter
- Q3 FY23 dividend of \$0.68 declared and paid for the quarter ended November 30, 2022.



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

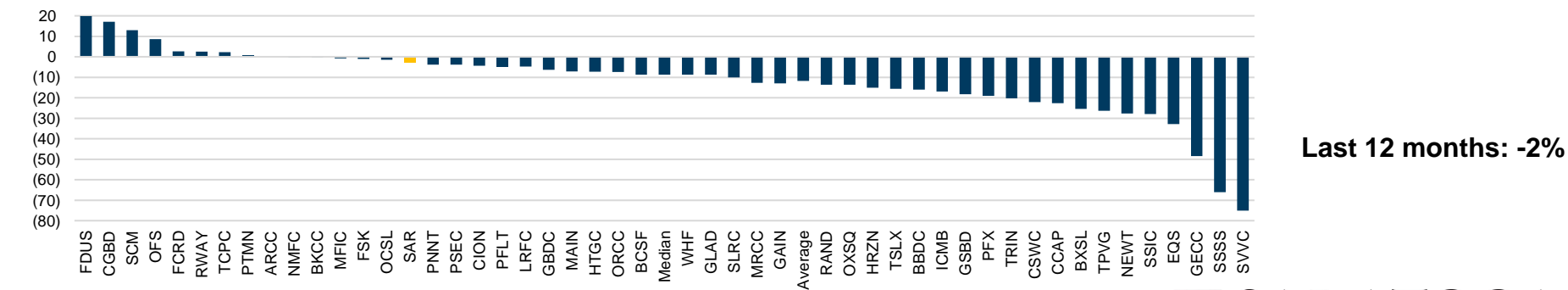
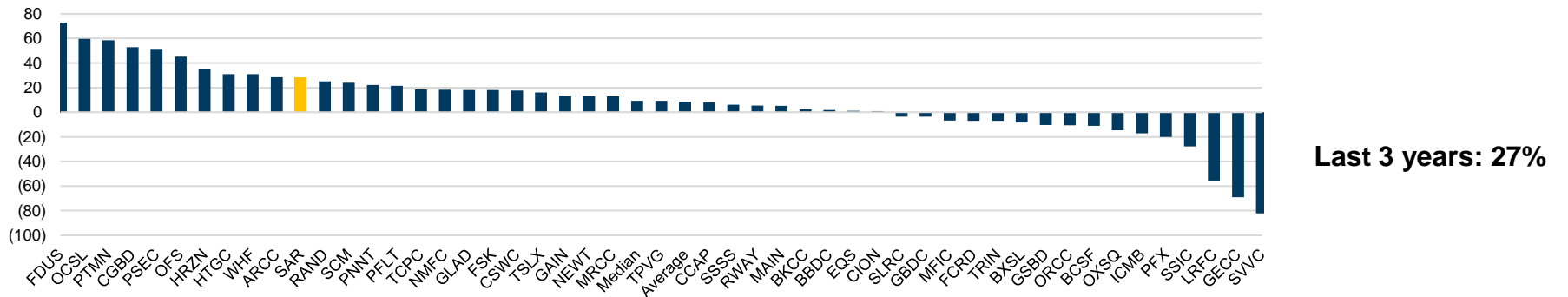
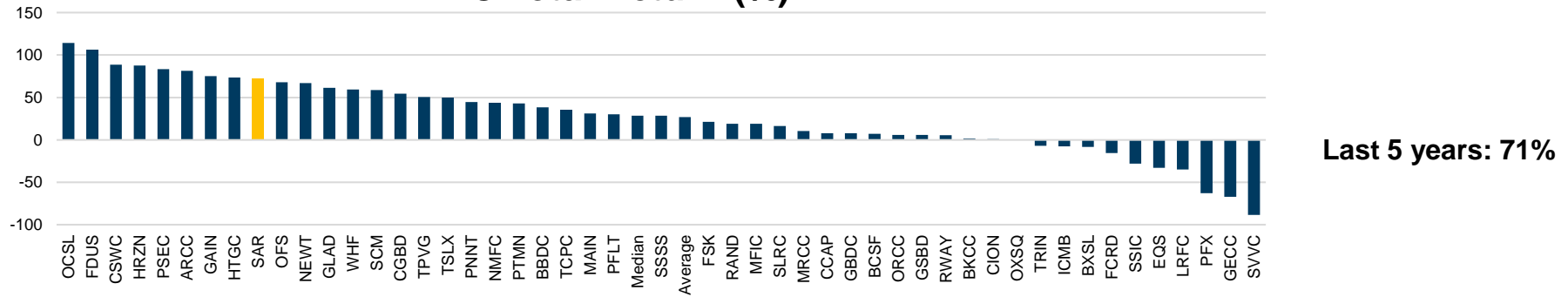
SAR LTM Total Return In Line With BDC Index

LTM Total Return (%)
(December 2021 to December 2022)
SAR -2% v BDC Index -6%



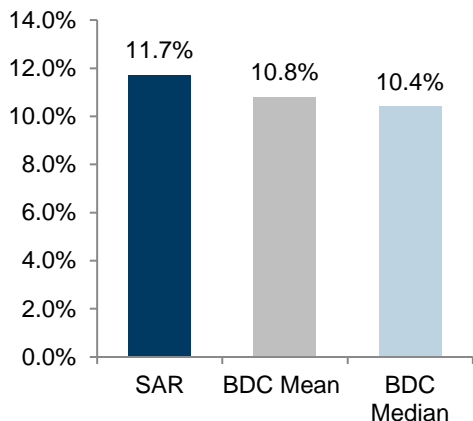
Long-Term Performance at Top of BDC Industry

BDC Total Return (%)

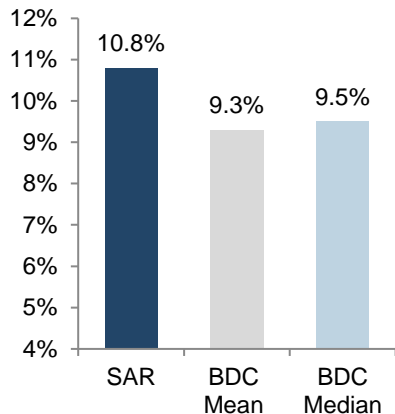


Solid Long-Term Performance

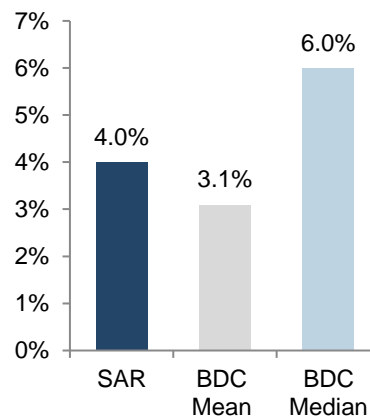
Interest % on Portfolio



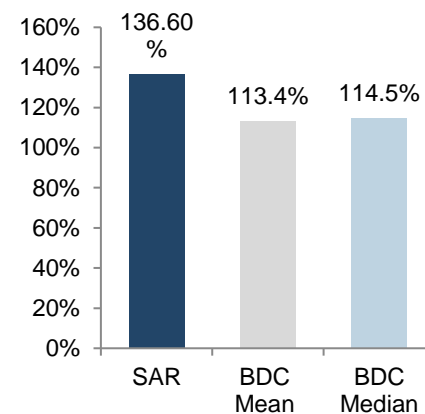
LTM NII Yield



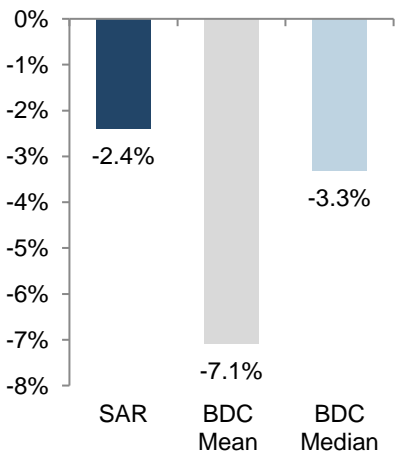
LTM ROE



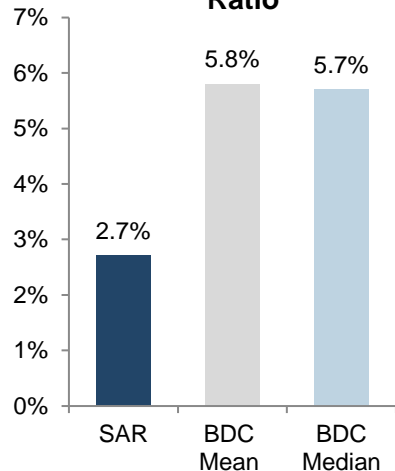
Regulatory Debt/Equity



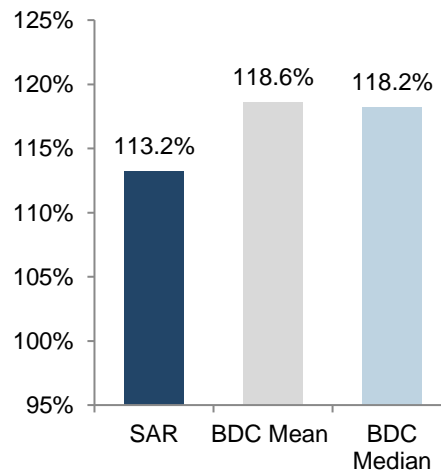
LTM NAV Per Share Growth



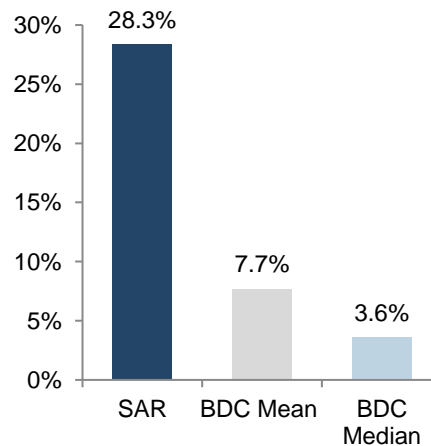
LTM Operating Expense Ratio*



Dividend Coverage



Year-Over-Year Dividend Growth



Source: SNL Financial / Company Filings / Raymond James report as of 12/16/22

* 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 15.9%.

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 68c per share for the quarter ended November 30, 2022, up 55% last eighteen months, represents current dividend yield of 10.3%; significant management ownership of 14%

▶ Strong return on equity

LTM ROE of 4.0% factors in both investment income and net gains/losses, beats current industry average of 3.1%

▶ Low-cost available liquidity

Borrowing capacity still at hand through new SBIC III debentures, new credit facility and cash – can grow current asset base by 18% as of quarter ended November 30, 2022, with most of it in cash or low cost liquidity (SBIC III debentures) that will be accretive to earnings. Raised additional \$60.4m in 8.125% 2027 SAY baby bond in December 2022

▶ 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 3% from last quarter, 20% from year-end and 48% from prior year, with portfolio fair value now at approximate cost

▶ Well-positioned for changes in interest rates

Approx. 98% of our investments have floating interest rates, with interest rates currently higher than all 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

96% of credits are the highest quality, 82% 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 diverse and available financing to build scale and increase our AUM and net investment income/yield, enabling us to achieve growth in:
 - Net Asset Value and Net Asset Value per Share
 - Return on Equity
 - Earnings per Share
 - Stock Values

Questions?



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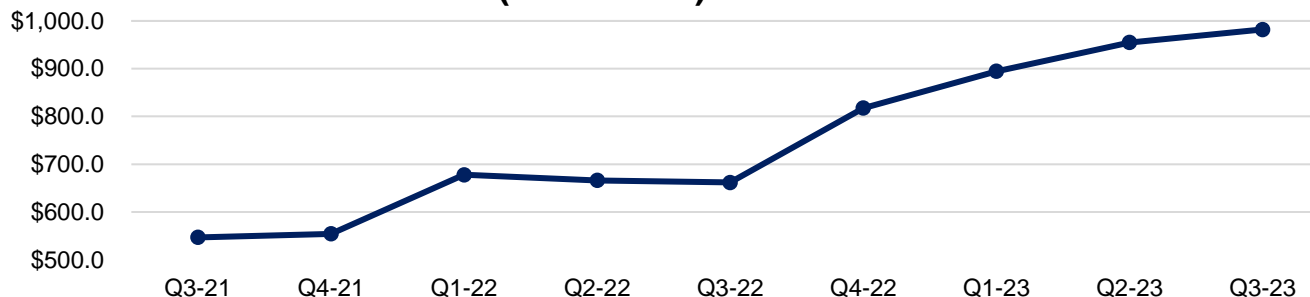
KPIs – Balance Sheet – Q3 FY23

Period	FMV Investment Portfolio (in millions)
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
Q2-23	\$ 954.7
Q3-23	\$ 982.0

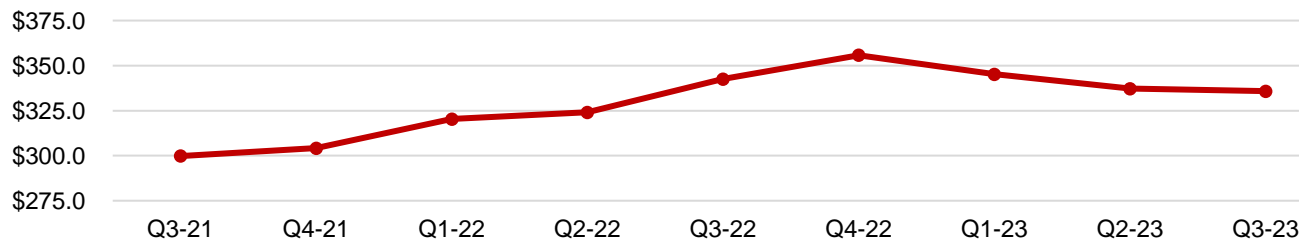
Period	NAV (in millions)
Q3-21	\$ 299.9
Q4-21	\$ 304.2
Q1-22	\$ 320.3
Q2-22	\$ 324.1
Q3-22	\$ 342.6
Q4-22	\$ 355.8
Q1-23	\$ 345.2
Q2-23	\$ 337.2
Q3-23	\$ 335.8

Period	NAV Per Share
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
Q2-23	\$ 28.27
Q3-23	\$ 28.25

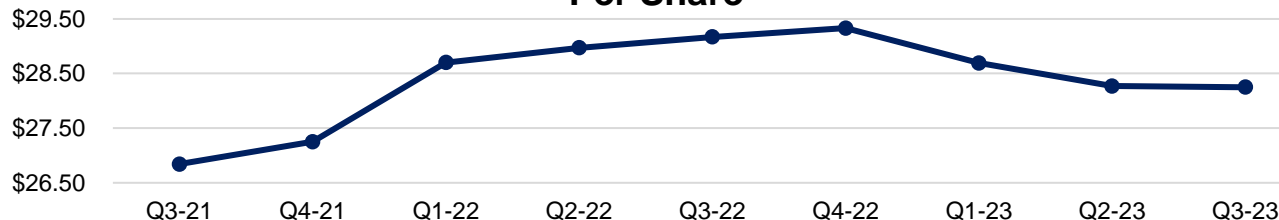
FMV Investment Portfolio (in millions)



NAV (in millions)



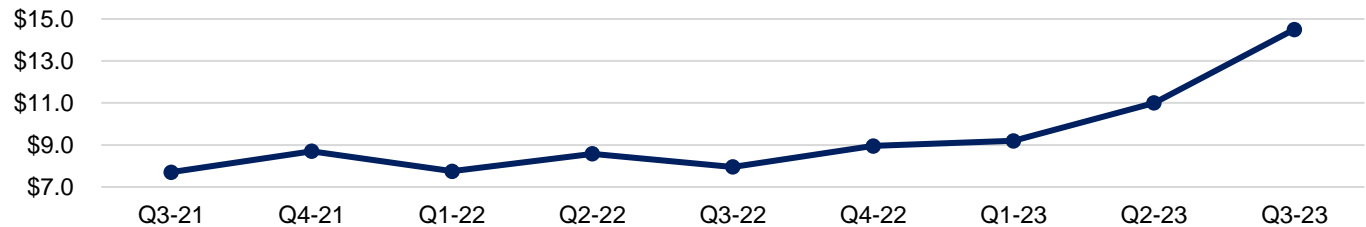
NAV Per Share



KPIs – Income Statement – Q3 FY23

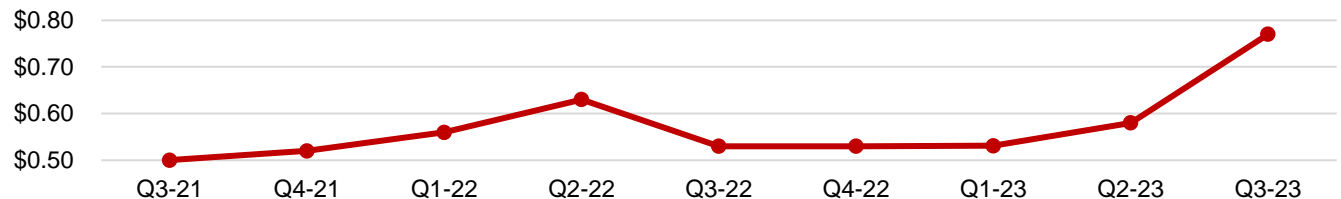
Period	Net Interest Margin (in millions)
Q3-21	\$ 7.7
Q4-21	\$ 8.7
Q1-22	\$ 7.7
Q2-22	\$ 8.6
Q3-22	\$ 8.0
Q4-22	\$ 9.0
Q1-23	\$ 9.2
Q2-23	\$ 11.0
Q3-23	\$ 14.5

**Net Interest Margin Excluding CLO
(in millions)**



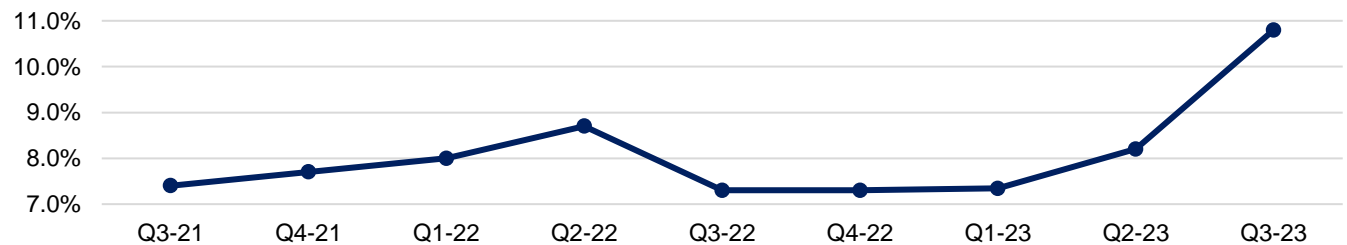
Period	NII Per Share
Q3-21	\$ 0.50
Q4-21	\$ 0.52
Q1-22	\$ 0.56
Q2-22	\$ 0.63
Q3-22	\$ 0.53
Q4-22	\$ 0.53
Q1-23	\$ 0.53
Q2-23	\$ 0.58
Q3-23	\$ 0.77

Adjusted NII Per Share



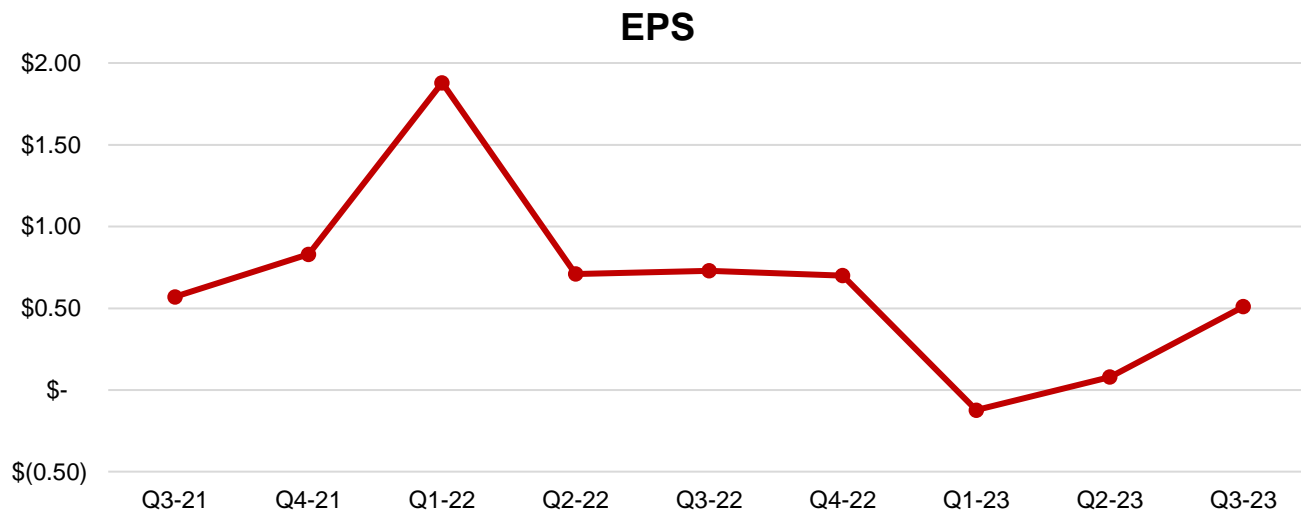
Period	NII Yield
Q3-21	7.4%
Q4-21	7.7%
Q1-22	8.0%
Q2-22	8.7%
Q3-22	7.3%
Q4-22	7.3%
Q1-23	7.3%
Q2-23	8.2%
Q3-23	10.8%

Adjusted NII Yield

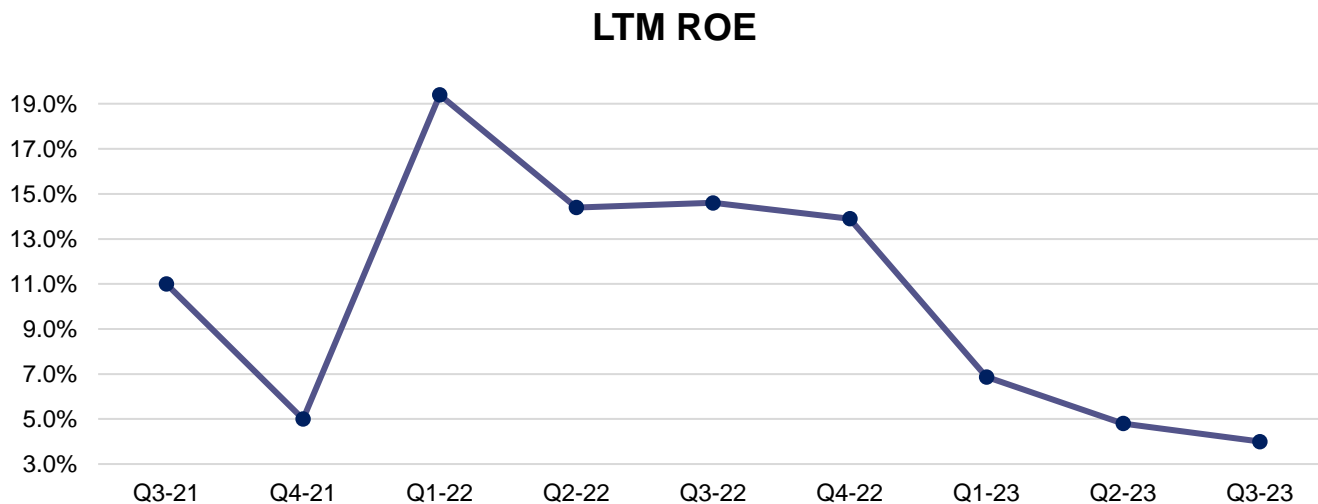


KPIs – Income Statement– Q3 FY23 (continued)

Period	EPS
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)
Q2-23	\$ 0.08
Q3-23	\$ 0.51



Period	LTM ROE
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%
Q2-23	4.8%
Q3-23	4.0%



KPIs - SAR Net Interest Margin

**SAR has more than quadrupled its Net Interest Margin
Since taking over management**

Net Interest Margin

20% increase in LTM
371% increase in 12 years

