

Saratoga Investment Corp.

Fiscal First Quarter 2025 Shareholder Presentation

July 10, 2024



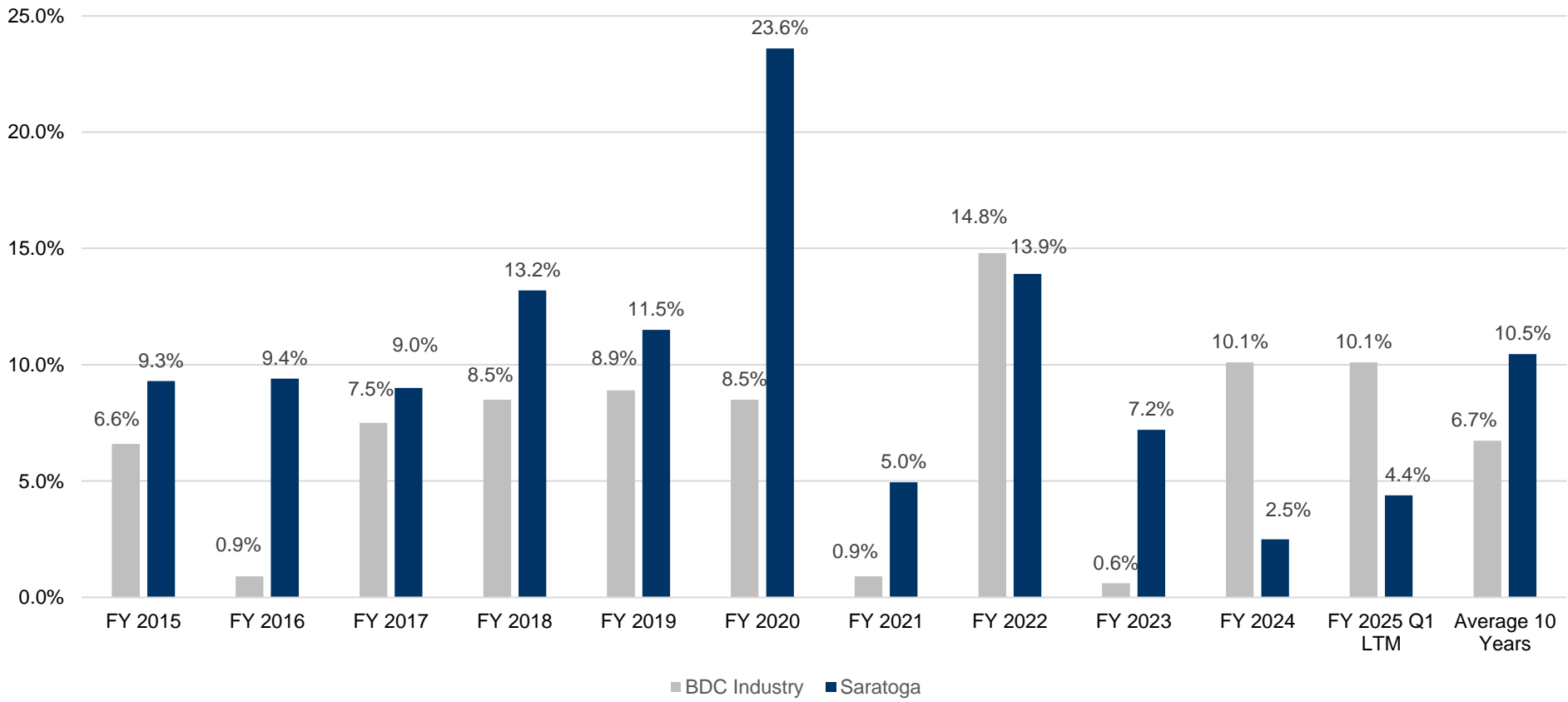
Steady Long-Term Growth and Performance in Q1 2025

Fiscal First Quarter 2025 Highlights:

- Continued high quality portfolio and solid performance
 - Investment quality remains solid
 - 98.3% of loan investments with highest internal rating and three non-accruals (1.6% of fair value / 4.8% of cost)
 - Return on equity in Q1 of 7.2% and 4.4% for LTM, as compared to industry average of 10.1%
 - Net realized losses and unrealized appreciation of \$7.3 million, consisting of \$21.2 million of realized losses on our Netro equity and Zollege investments, partially offset by \$13.9 million unrealized appreciation across the portfolio. The unrealized appreciation includes (i) reversal of \$18.3 million unrealized depreciation previously recognized on our Netro and Zollege realized investments, and (ii) \$5.0 million unrealized depreciation on our CLO and JV, primarily related to mark-downs due to individual credits in the CLO broadly syndicated portfolio, partially offset by \$0.6 million unrealized appreciation on the remaining core BDC portfolio, including the additional Pepper Palace write-down this quarter.
 - Remaining total Pepper Palace and Zollege fair value as of quarter-end is \$4.4m
 - Average ROE over the past ten years of 10.5% exceeds industry average of 6.7% and consistently positive and steady
 - Gross Unlevered IRR of 10.9% on total unrealized portfolio as of May 31, 2024
 - Fair value of \$1.096 billion is 2.4% below total cost of portfolio, with core non-CLO BDC portfolio, excluding Zollege and Pepper Palace, being 3.3% above cost
 - Gross Unlevered IRR of 15.4% on \$978 million of total realizations
- Consistent strong long-term originations contribute to growing assets under management
 - AUM up 1% since last year and down 4% this quarter, with originations of \$39 million in Q1 from strong pipeline
- Base of liquidity and capital remains strong
 - Quarter-end liquidity allows growth of AUM by 27% and is mostly long-term, with \$93 million in cash
 - In June 2024, upsized new 3-year \$50.0 million secured revolving credit facility to \$75.0 million, fully available
- Declared dividend of 74c per share for the quarter ended May 31, 2024, paid on June 27, 2024
- Key performance indicators for Q1 and versus Q4 2024 - Adjusted NII of \$14.3 million (up 12%), Adjusted NII per share of \$1.05 (up 12%), Adjusted NII Yield of 15.5% (up 11%), LTM ROE of 4.4% (versus 10.1% for industry) and NAV per share of \$26.85 (down 27c, or 1%)

Saratoga Double Digit Long-Term ROE Substantially Ahead of the BDC Industry

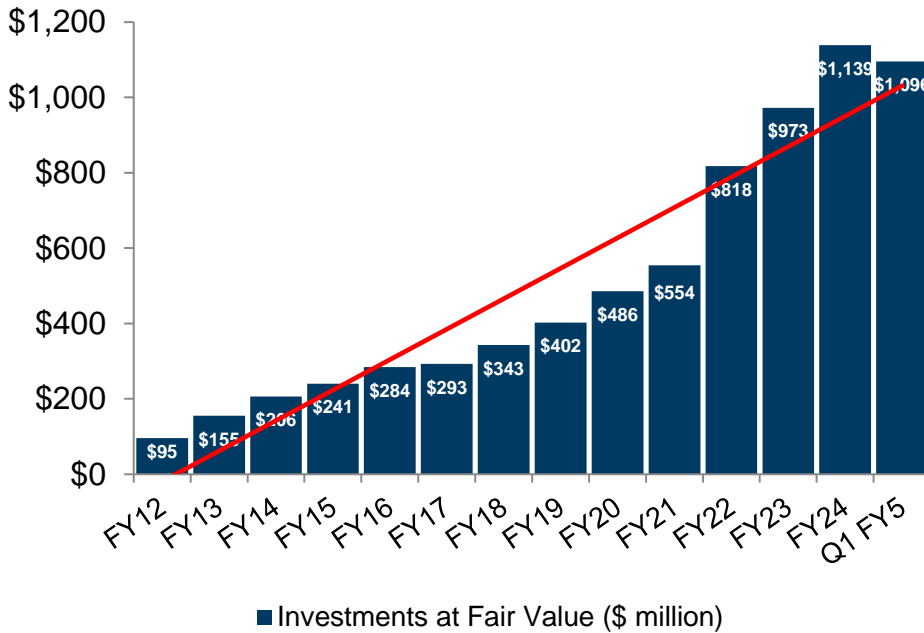
Return on Equity



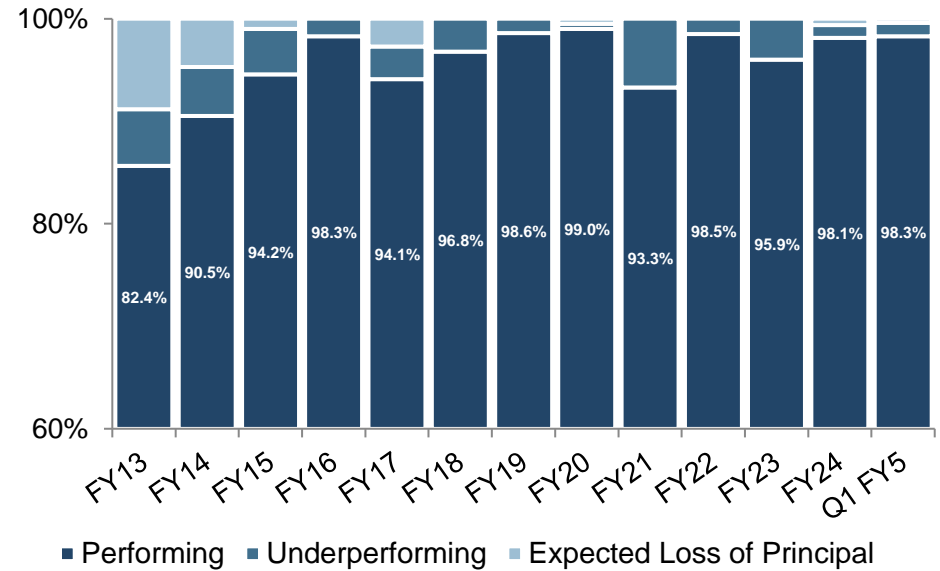
Positive performance has led to SAR ROE beating the BDC industry eight of the past ten years, with a 10-year average that is almost 1.6x the industry and consistently positive every year

Consistent Asset Growth and Solid Credit Quality

Asset Base Expansion Trend



Overall Credit Quality Remains Solid



Fair value of AUM increased 1.1% year-over-year and decreased 3.8% since last quarter – average AUM up 8.6% year-over-year

Fair value of \$1,095.6m at Q1 FY25 is 2.4% below cost, with core non-CLO BDC portfolio in line with cost

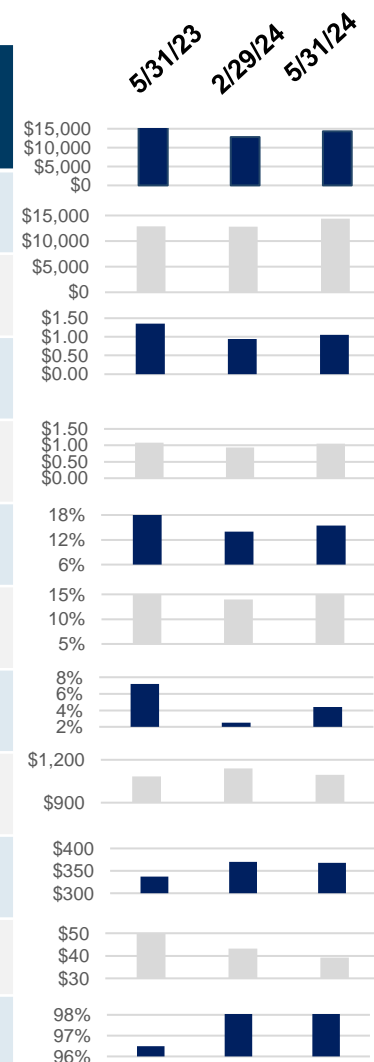
98.3% of our SAR loan investments hold our highest internal rating, up from last quarter; three investments on non-accrual at quarter-end (1.6% of fair value / 4.8% of cost)*

* Excludes our investment in our CLO and our equity positions

Q1 FY25: Strong Financial Foundation and Momentum

Key Performance Metrics for the Fiscal Quarter

For the quarter ended and as of (\$ in millions except per share)	31-May-23	28-Feb-24	31-May-24
Net investment income	\$15,959	\$12,785	\$14,335
Adjusted net investment income*	\$12,849	\$12,785	\$14,335
Net investment income per share	\$1.35	\$0.94	\$1.05
Adjusted net investment income per share*	\$1.08	\$0.94	\$1.05
Net investment income yield	18.7%	14.0%	15.5%
Adjusted net investment income yield*	15.0%	14.0%	15.5%
Return on Equity – Last Twelve Months	7.2%	2.5%	4.4%
Fair value of investment portfolio	\$1,084.1	\$1,138.8	\$1,095.6
Total net assets	\$337.5	\$370.2	\$367.9
Investments in new/existing portfolio companies	\$139.8	\$43.2	\$39.3
Loan Investments held in “Performing” credit ratings	96.5%	98.3%	98.3%



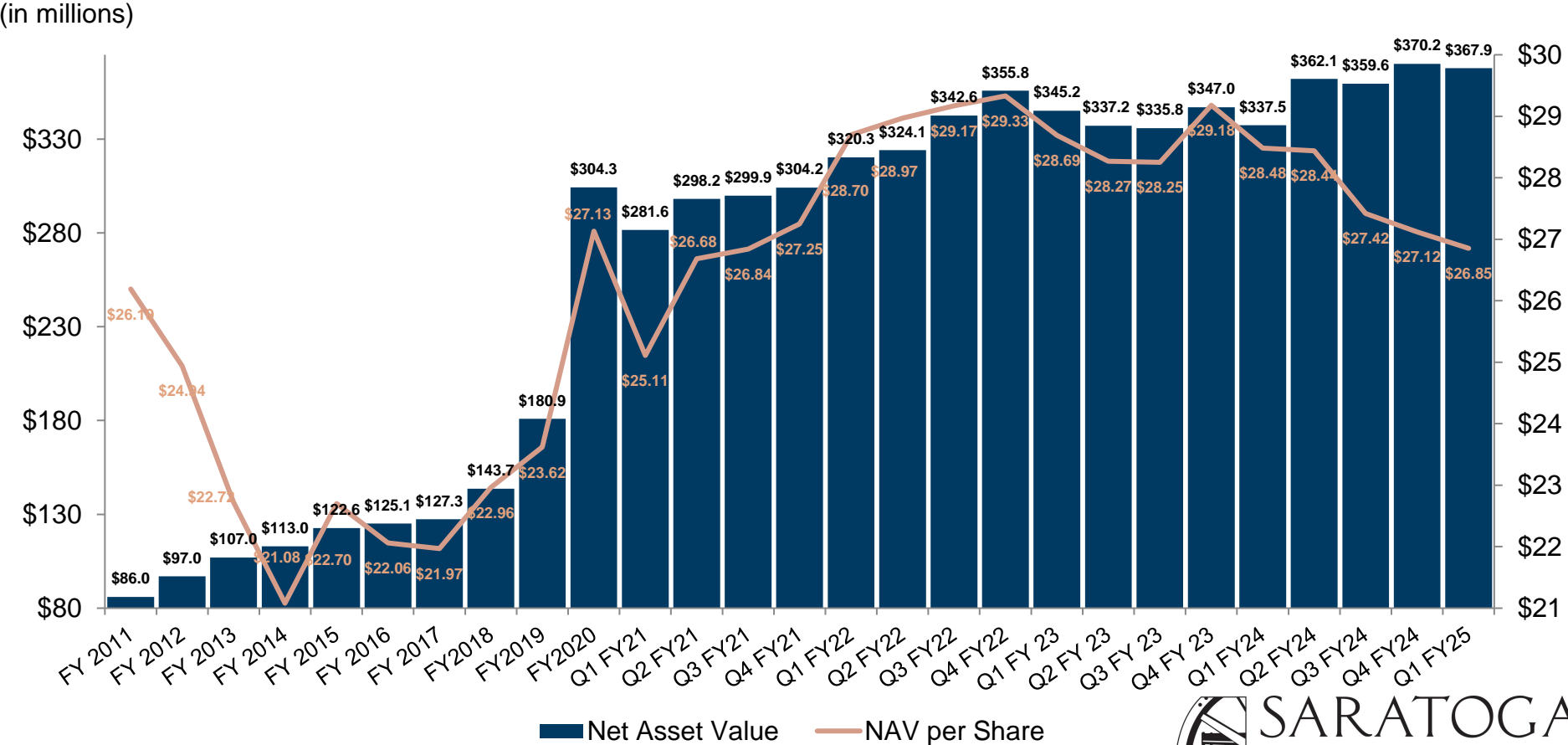
*Adjusted for accrued capital gains incentive fee expense, reconciliation to GAAP net investment income, net investment income per share and net investment income yield included in our fiscal first quarter 2025 earnings release.



Long-Term NAV and NAV Per Share Growth Despite Recent Discrete Weakness

Net Asset Value and NAV per Share (FY 11 to Q1 FY25)

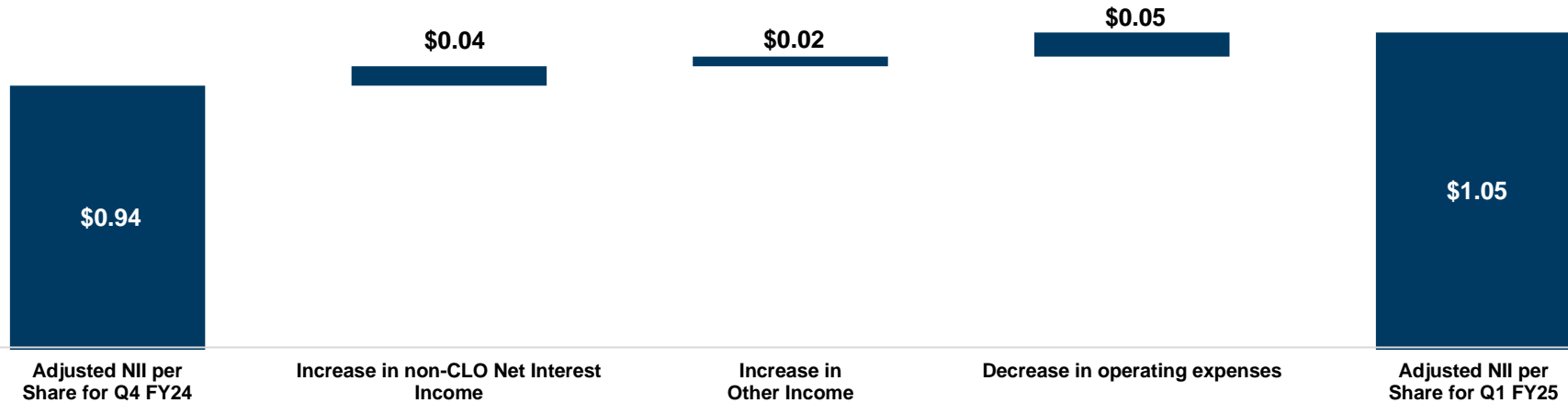
NAV: 1% decrease this quarter. 328% increase since Saratoga took over management.
NAV/Share: 1% decrease this quarter. 21% increase since FY17 with increases 21 of the last 27 quarters.



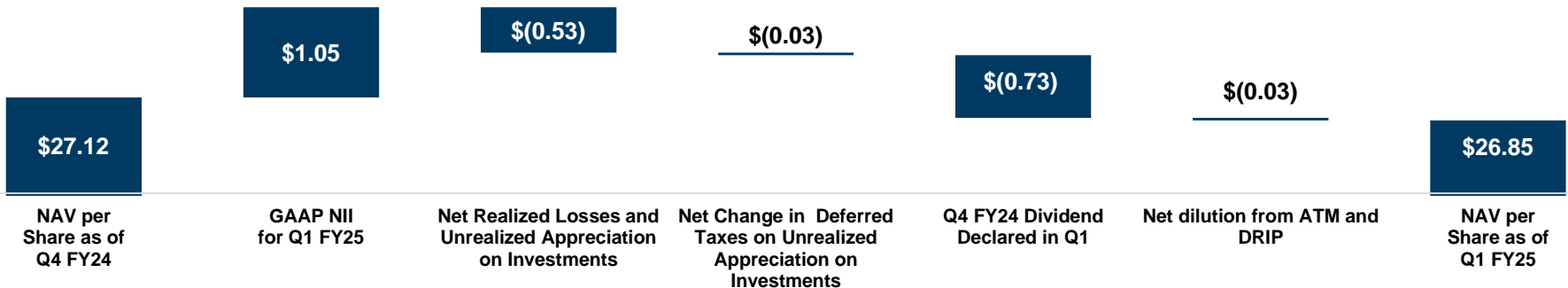
Quarterly Reconciliation of NII and NAV per Share

Reconciliation of Quarterly Adjusted NII per Share

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



Reconciliation of Quarterly NAV per Share



Dry Powder Remains Available

(As of May 31, 2024)		Total Borrowing Capacity	Outstanding	Available Liquidity	Remaining Maturity Period	Call Period	Fixed / Floating Rate
Encina Credit Facility		\$65.0 million	\$32.5 million	\$32.5 million	2 Years	-	Floating
Live Oak Credit Facility		\$50.0 million	\$13.0 million	\$37.0 million	3 Years	-	Floating
SBA Debentures	SBIC II	\$175.0 million	\$175.0 million	-	6-8 years	Now	Fixed
	SBIC III	\$175.0 million	\$39.0 million	\$136.0 million	9-10 years	Now	Fixed
Publicly-Traded Notes (at par value)	SAT	\$105.5 million	\$105.5 million	-	3.0 Years	Now	Fixed
	SAJ	\$46.0 million	\$46.0 million	-	3.5 Years	< 1 Year	Fixed
	SAY	\$60.4 million	\$60.4 million	-	3.5 Years	< 1 Year	Fixed
	SAZ	\$57.5 million	\$57.5 million	-	4.0 Years	< 1 Year	Fixed
Unsecured Notes		\$250.0 million	\$250.0 million	-	2-3 Years	-	Fixed
Private Notes (at par value)		\$52.0 million	\$52.0 million	-	1-4 Years	< 1 Year	Fixed
Cash and Cash Equivalents		\$93.3 million	\$93.3 million	\$93.3 million	-	-	-

Total Available Liquidity (at quarter-end): \$298.8 million

Ability to grow AUM by 27% without any new external financing as of May 31, 2024

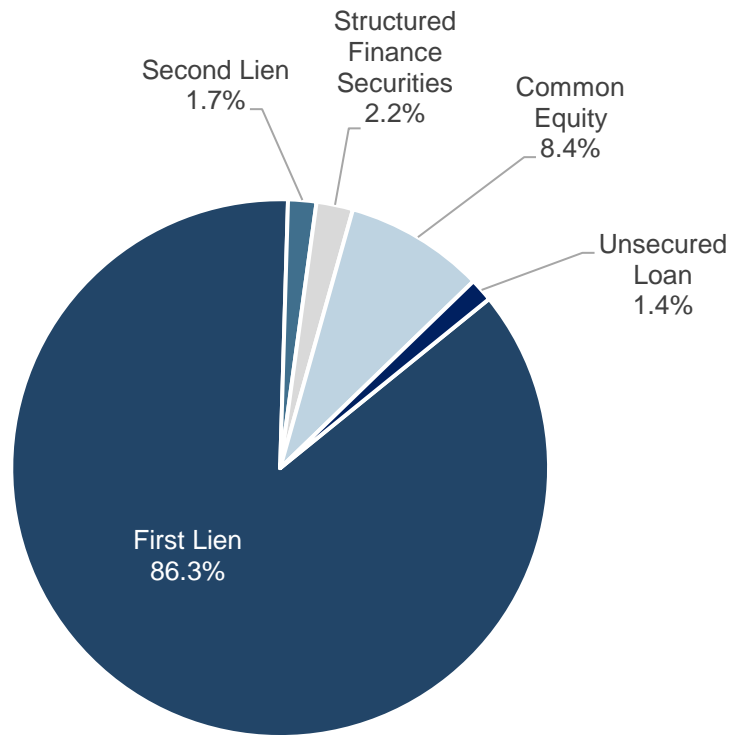
- SBIC III debentures are generally not available to support existing BDC or SBIC II investments
- On June 14, 2024, Live Oak credit facility upsized from \$50.0 million to \$75.0 million, adding \$25.0 million of additional liquidity

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

Portfolio Composition and Yield

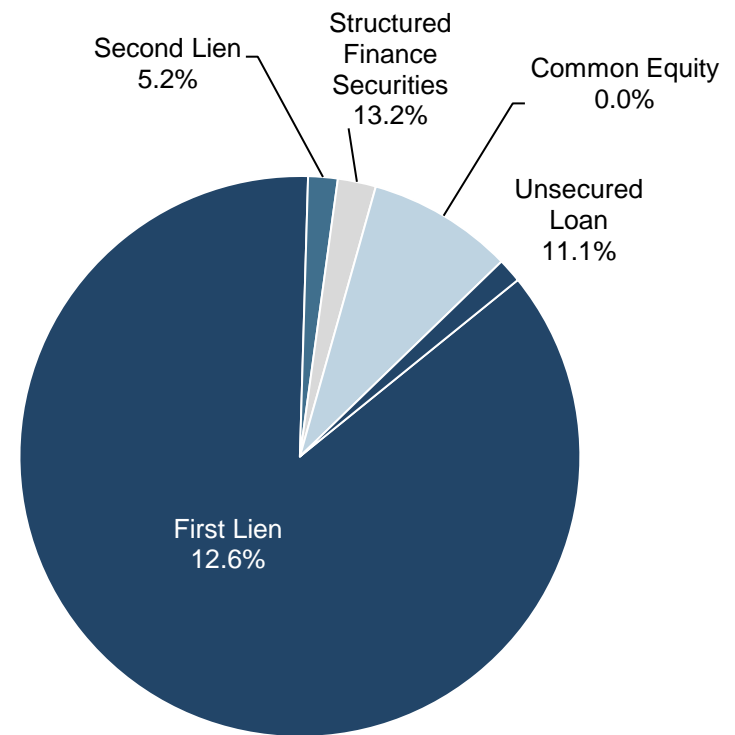
Portfolio Composition – \$1,095.6m

(Based on Fair Values
as of May 31, 2024)



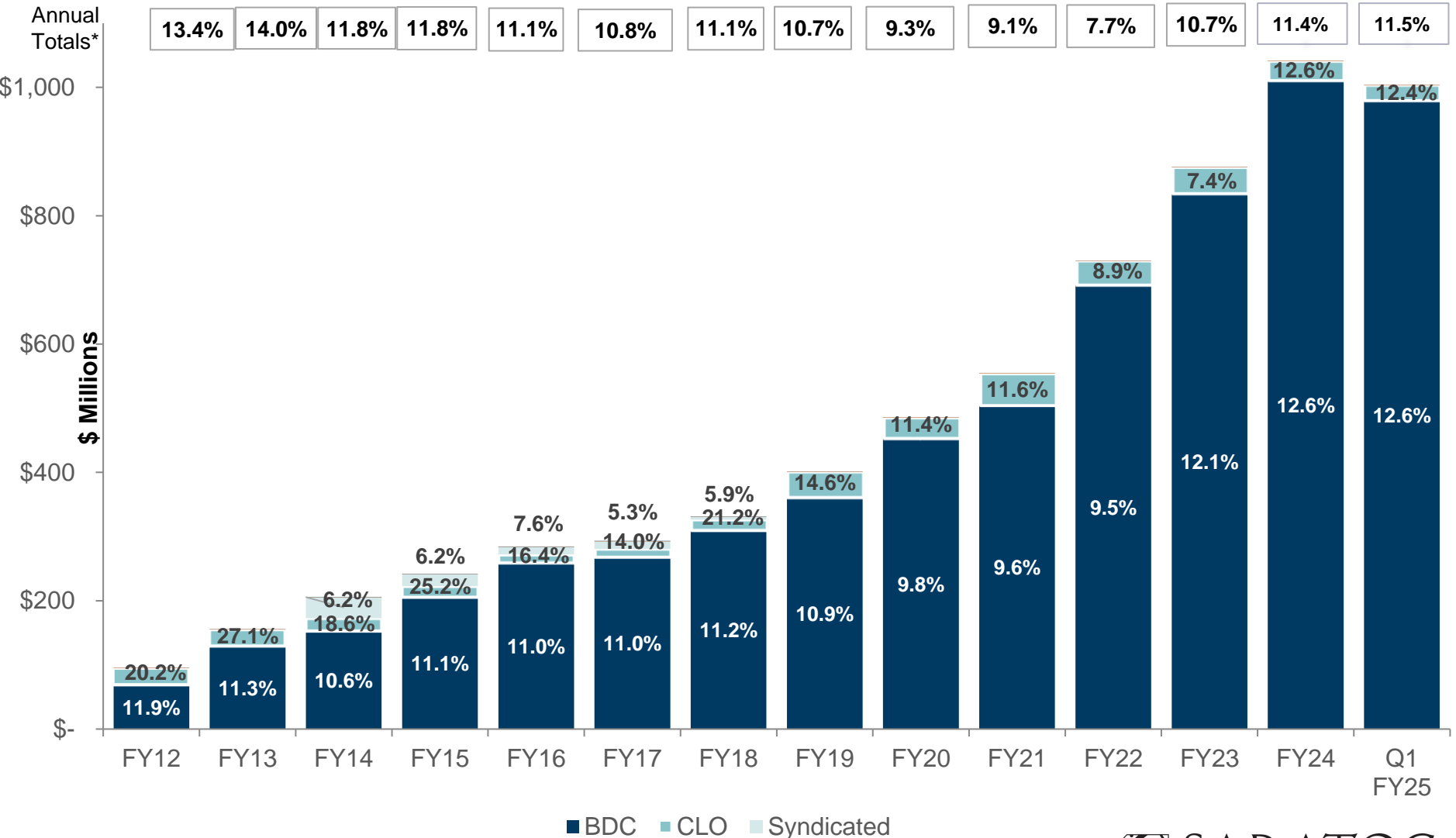
Portfolio Yield – 11.5%

(Weighted Average
Current Yield of Total Existing Portfolio)



Yield of BDC Growing With Rising Rates

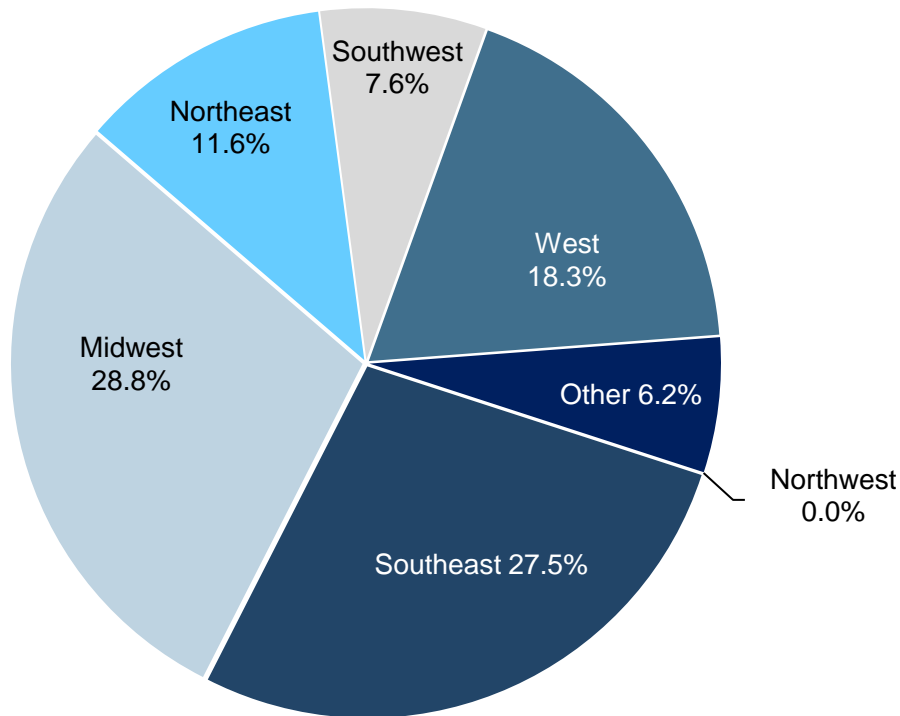
Weighted Average Current Yields



* Annual total yields on fair value of 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.

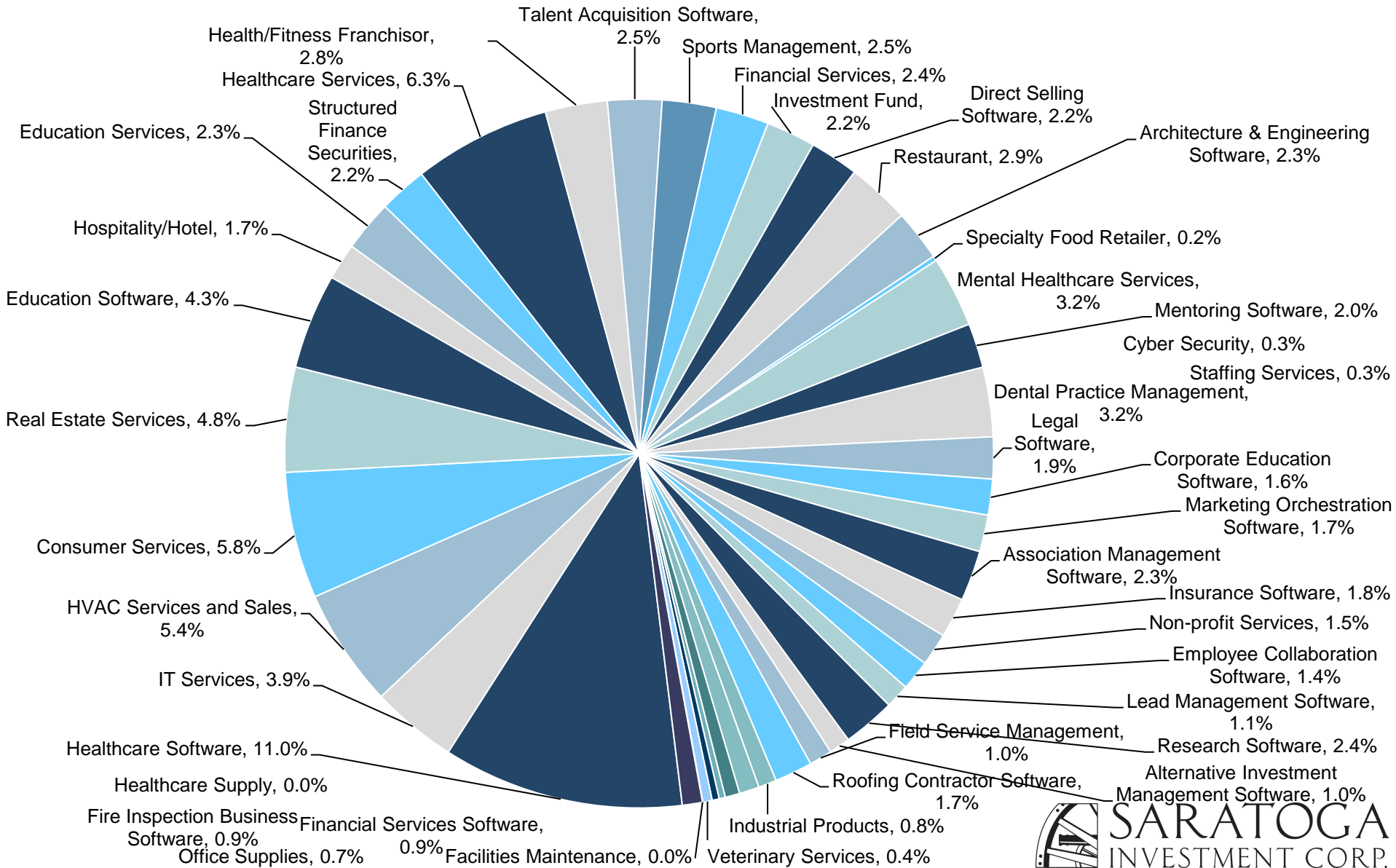
Diversified Across Geography

Investments Diversified Geographically



Diversified Across Industry

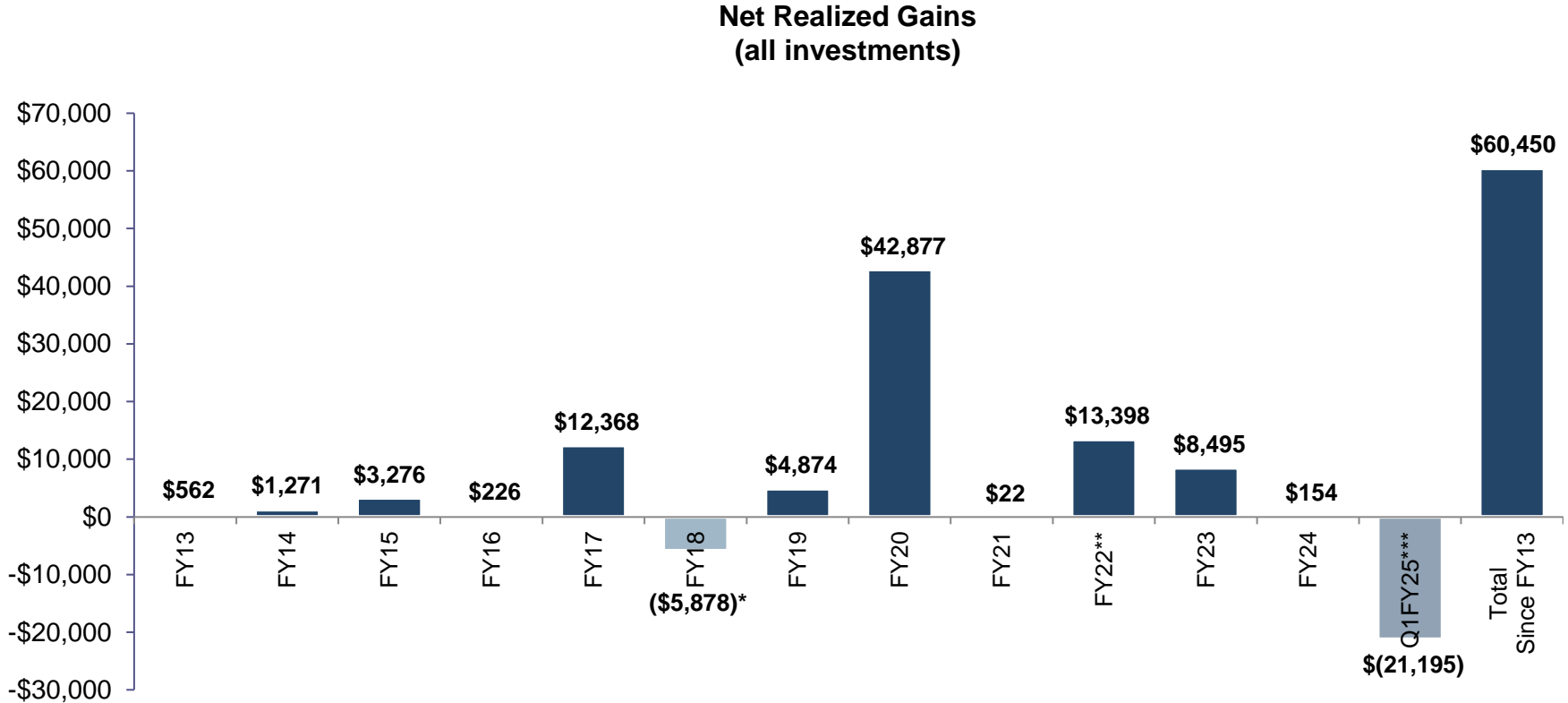
Investments across 43 distinct industries



Net Realized Gains Help Protect Shareholder Capital

Cumulative net realized gains reflect portfolio credit quality

\$ in thousands



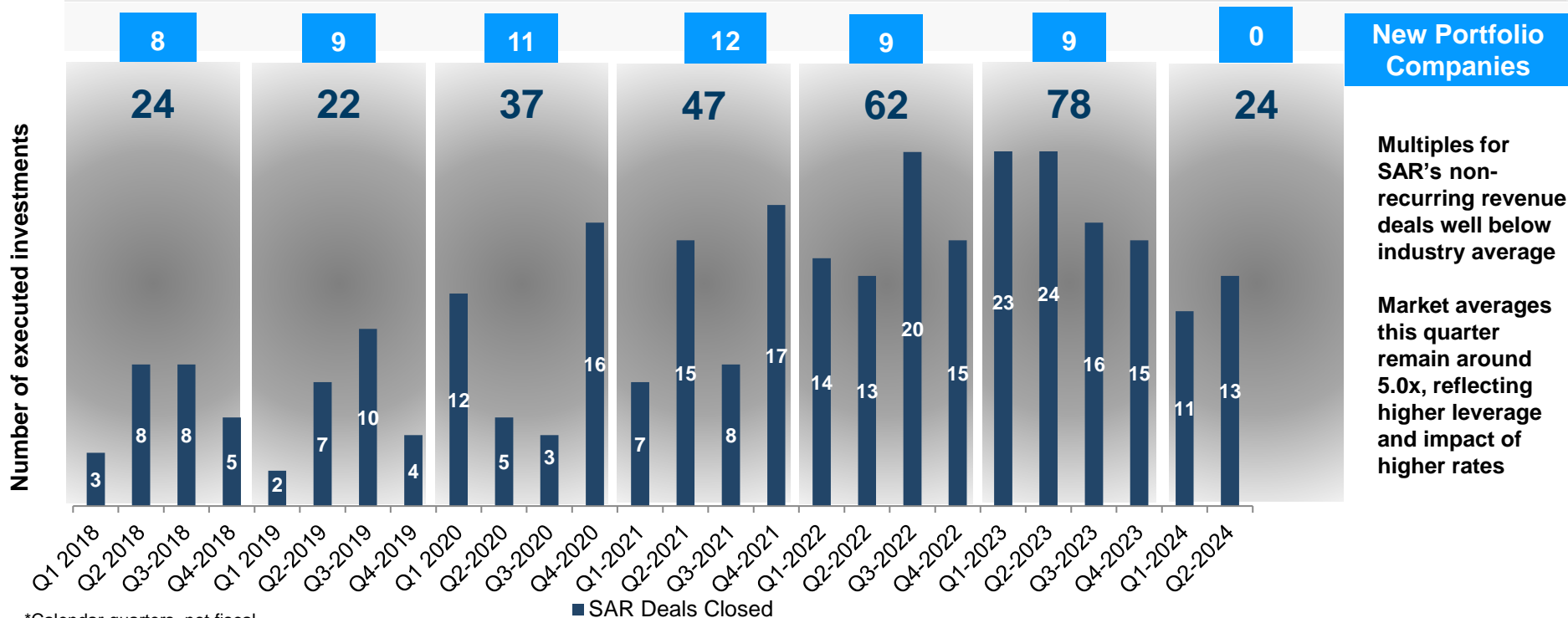
* Reflects realized loss on My Alarm Center investment of \$7.7m less \$1.8m in other realized gains in FY18.
 ** Reflects realized gains of \$18.3m on various equity investments in FY22, offset by full \$4.9m write-down of remaining My Alarm Center investment.
 Table above reflects investments originated by Saratoga management (excludes Elyria legacy investment)
 *** Reflects realized loss of \$6.1M on Netro equity investment and \$15.1M on Zollege investment.

Exercising Disciplined Investment Judgment While Expanding Portfolio

SAR Debt Multiples/Deals Closed (2018-2024)

Portfolio leverage with non-recurring revenue underwriting is 4.27x^{1^}

	Average Middle Market	
	12/31/2023	3/31/2024
All Senior	3.87x	3.84x
1st Lien/Mezz	4.81x	4.62x
1st Lien/2nd Lien	4.08x	5.46x
Unitranche	5.52x	5.53x



*Calendar quarters, not fiscal

¹Excludes 29 loans underwritten using recurring revenue metrics. These recurring revenue loans would have significantly different portfolio leverage statistics.

[^]Excludes our yellow and red assets, Knowland, Pepper Palace, and Zollege. Leverage 4.59x including Knowland only, as Pepper Palace and Zollege are undergoing restructuring.

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

Pipeline Remains Healthy But Reflects Market Slowdown

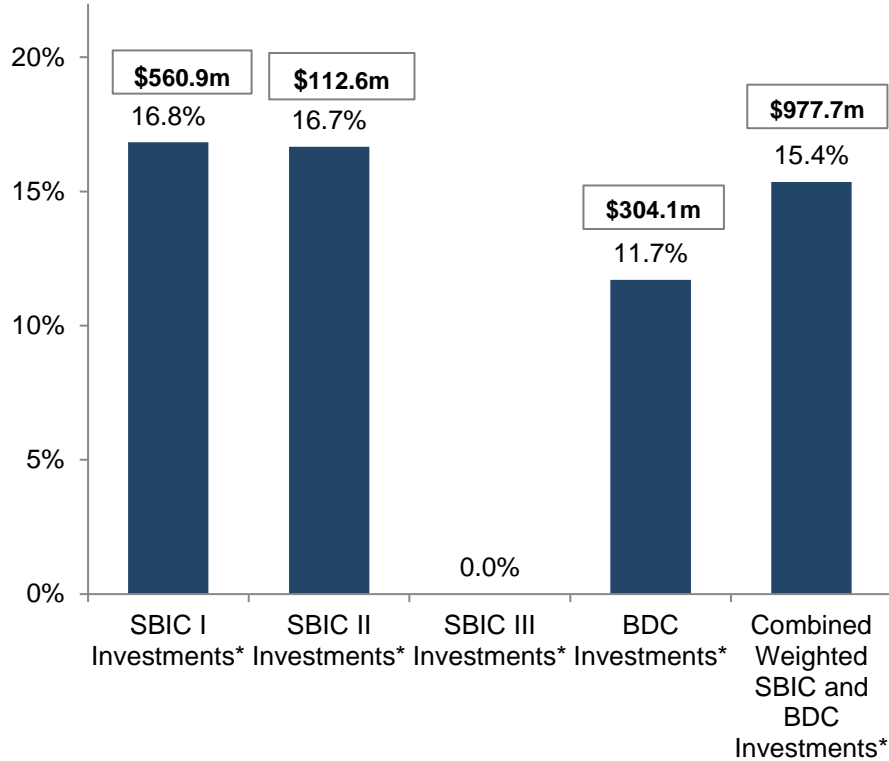
New business opportunities impacted by market opportunities and largely offset by follow-on investments

Calendar*	2020	Δ	2021	Δ	2022	Δ	2023	Δ	LTM Q2 2024	Q1-Q2 2023	Δ	Q1-Q2 2024	
Deals Sourced	619	-8%	572	-20%	469	8%	506	-2%	495	271	-18%	223	<ul style="list-style-type: none"> ~63% of deal flow from private equity sponsors ~37% 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)	32	109%	67	-30%	47	-17%	39	-46%	21	22	-77%	5	<ul style="list-style-type: none"> ~91% of term sheets are currently 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)	29	62%	47	32%	62	27%	78	-29%	55	27	-11%	24	<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	11		12		9		9		1	4		0	<ul style="list-style-type: none"> 1 new portfolio company during LTM Q2 2024 Saratoga new portfolio company investments average ~1-2% of deals reviewed

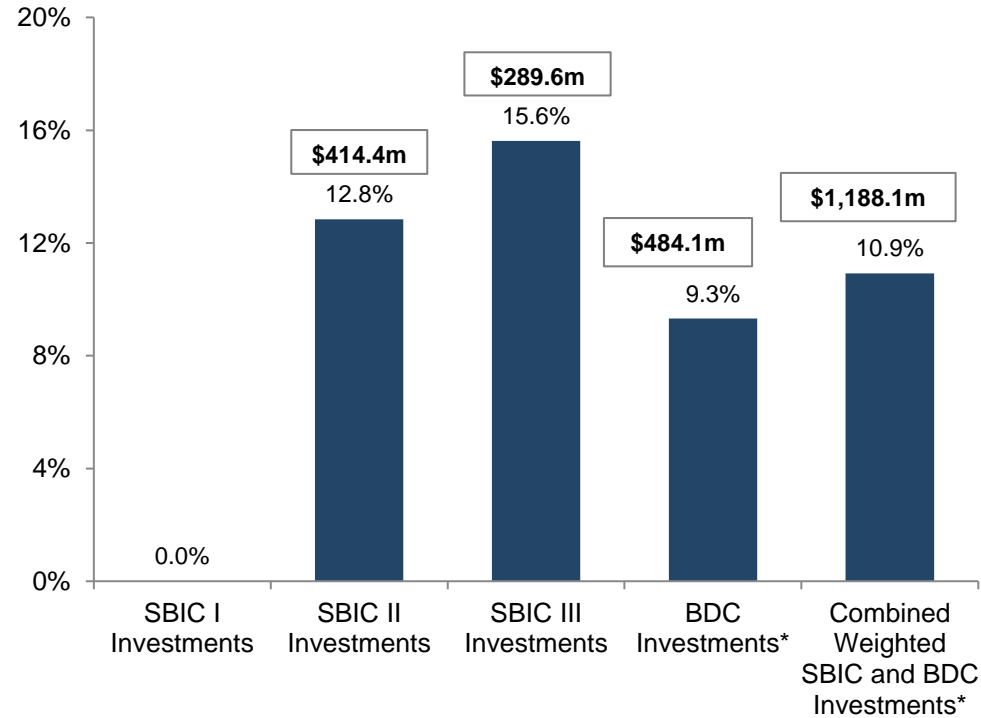
*Calendar quarters, not fiscal quarters

Demonstrated Strong Track Record

Realized Investments [^] (Gross Unlevered IRR%)



Unrealized Investments ^{1 ^ **} (Gross Unlevered IRR%)



Track Records as of 5/31/24**

¹ IRRs for unrealized investments include fair value and accrued interest as of 5/31/2024

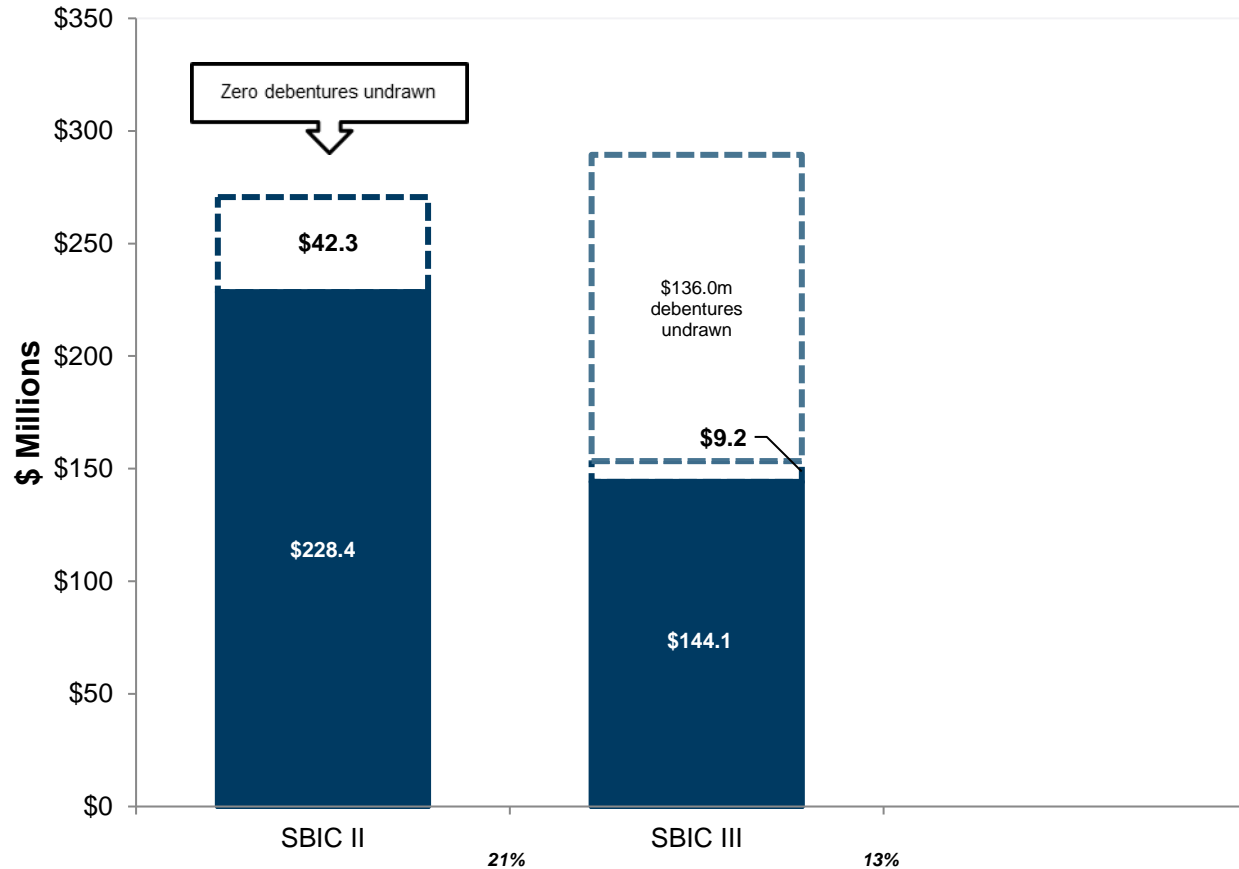
* SBIC I, SBIC II and SBIC III investments represent all investments in the specific funds, including later follow-ons that might be invested in the BDC due to SBIC fund size limitations.

BDC investments exclude investments existing when Saratoga management took over, corporate financing investments and our investments in our CLO and JV.

[^] Graphs show invested dollars

** Track record reflects the Zollege investment as fully unrealized as we still own and control the Company

SBIC II Fully Funded - SBIC III Availability

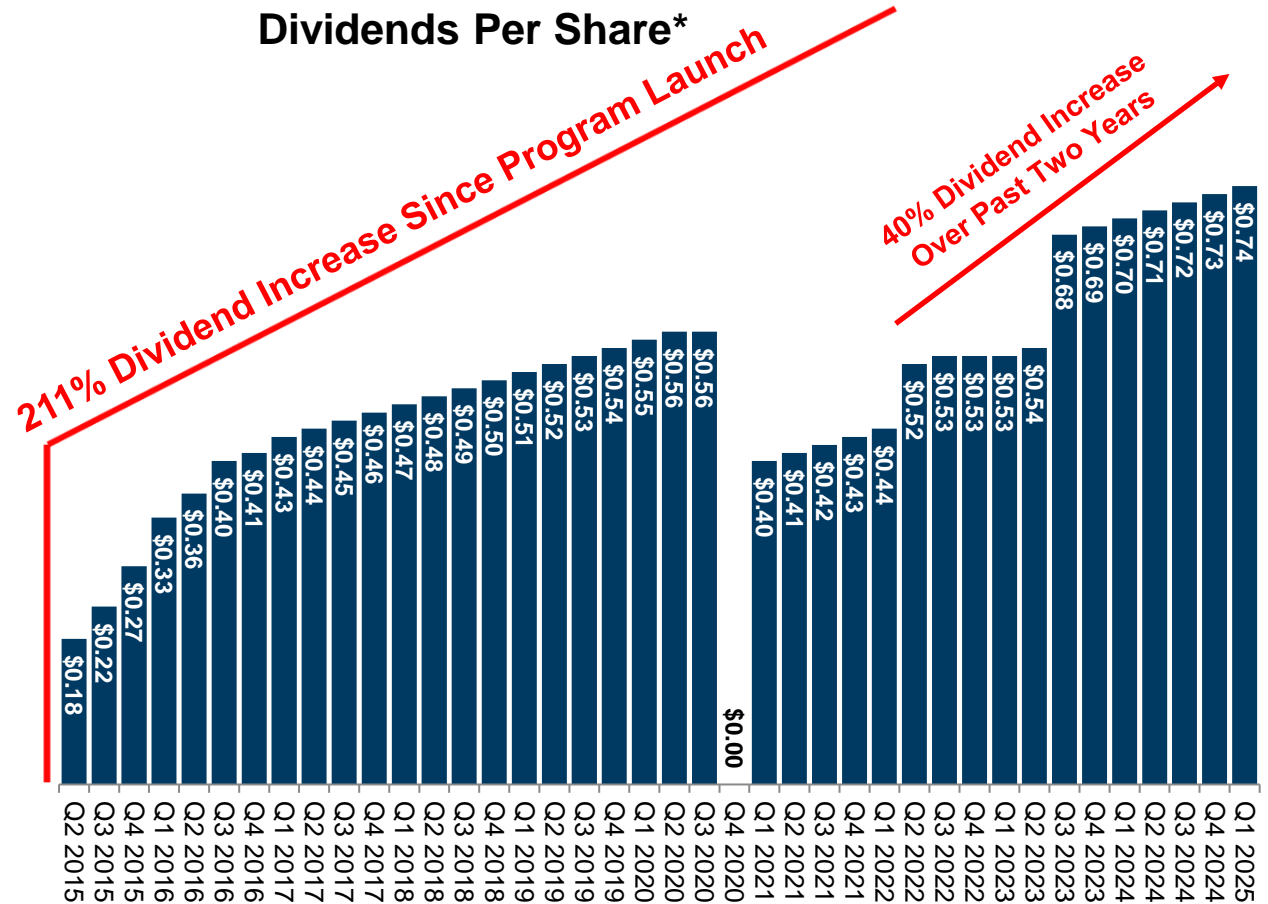


** SBIC II and III cash available for new originations and follow-ons in existing license.

*** SBIC III has \$136 million of available debentures based on the SBA family of funds limit

Long-Term Consistent Dividend Growth

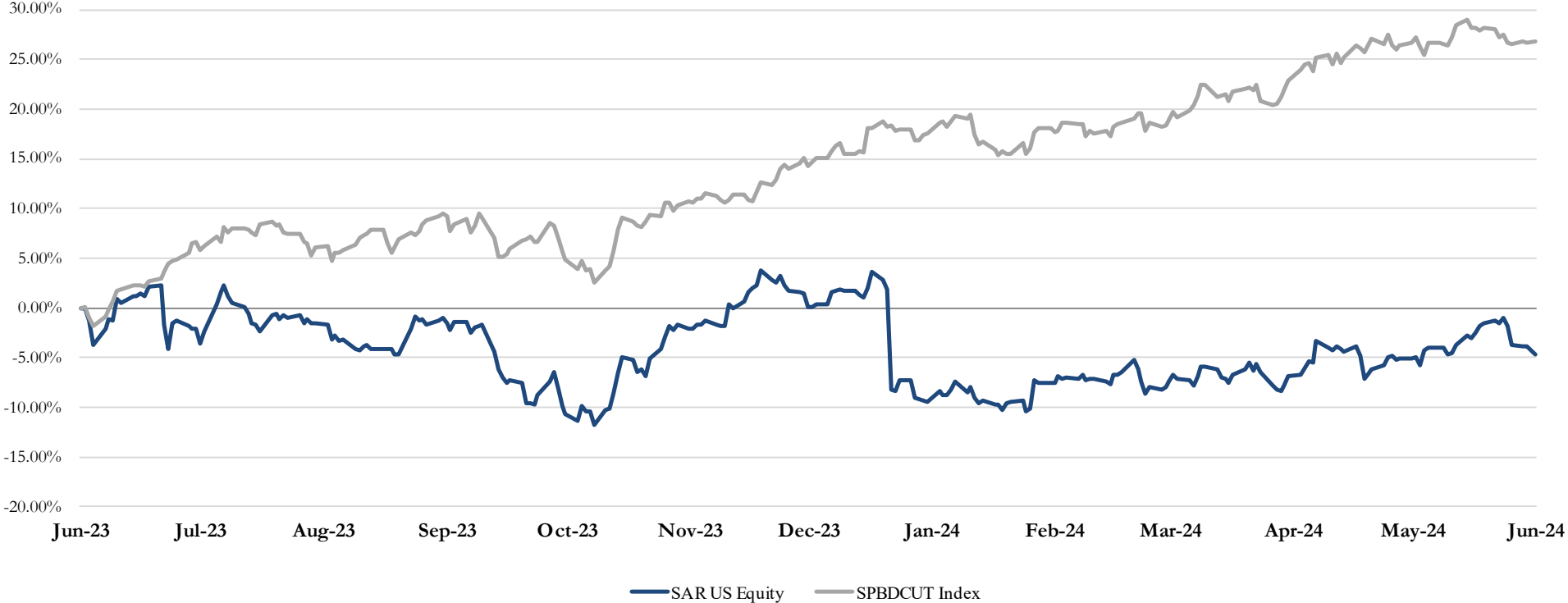
- Established dividend policy to pay regular quarterly cash dividends to stockholders pursuant to dividend reinvestment plan (“DRIP”) in 2014
- Increased dividend by 211% since program launch until Covid deferral
- Increased dividend by 6% over past year, with a 1% increase this past quarter
- Q1 FY25 dividend of \$0.74 declared and paid for the quarter ended May 31, 2024.



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

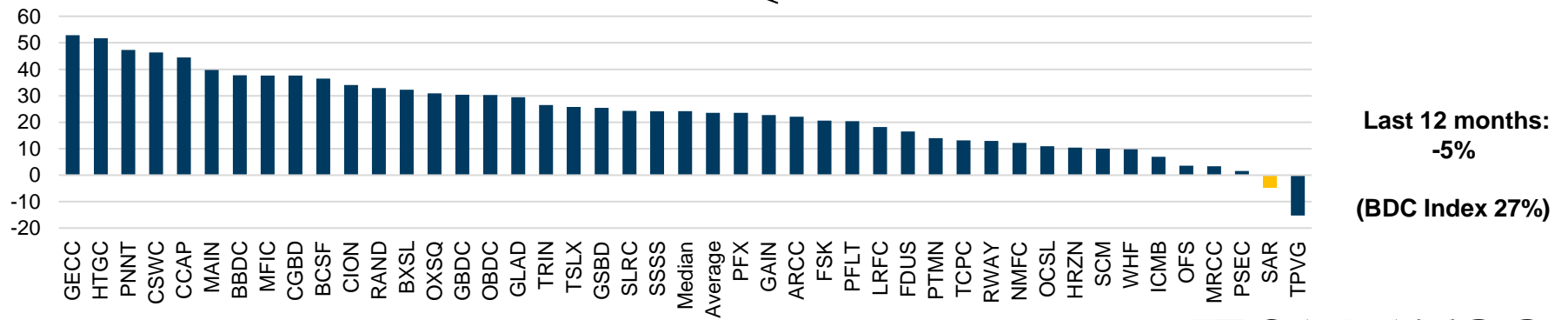
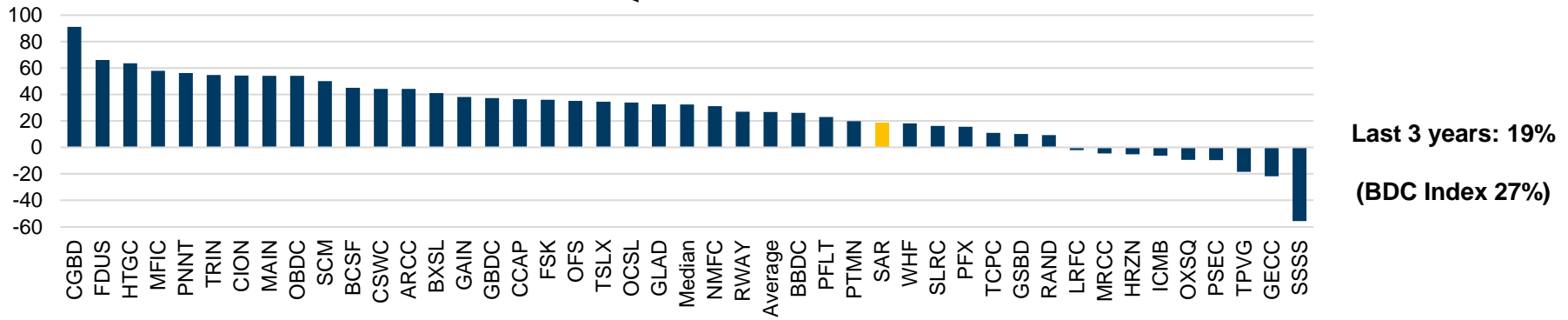
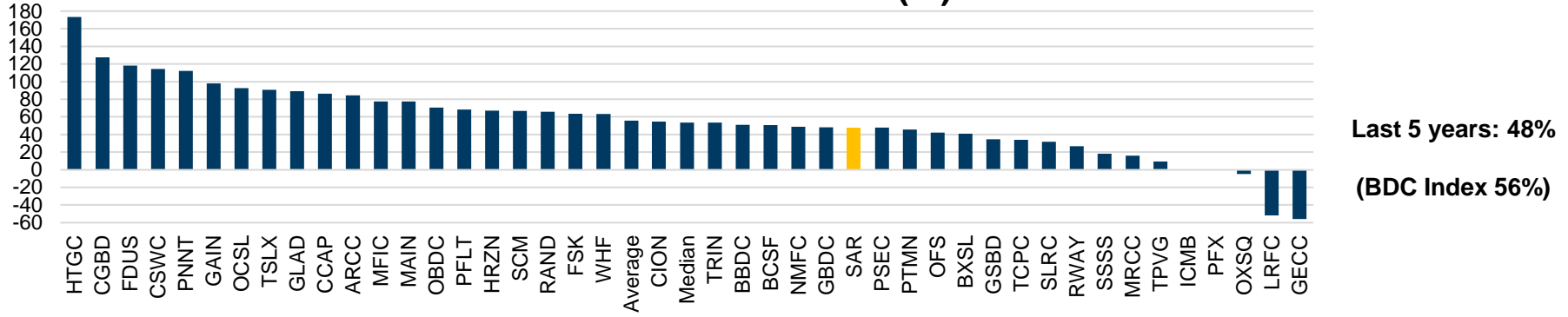
SAR LTM Total Return Lagging BDC Index Creates Opportunity

LTM Total Return (%)
(June 2023 to June 2024)
SAR -4.7% v BDC Index +26.9%



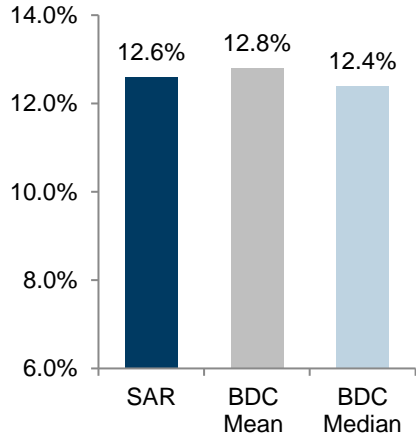
Long-Term Performance Impacted by LTM Performance

BDC Total Return (%)

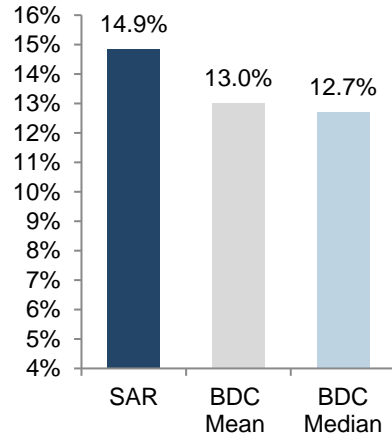


Short-Term Performance Impacted by Discrete Non-Accruals

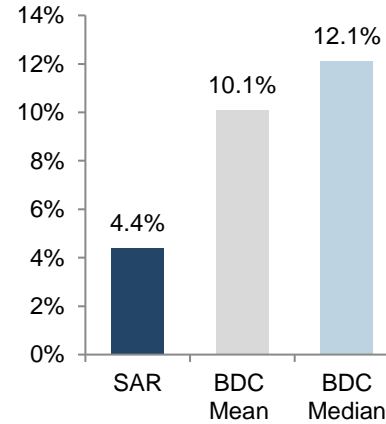
Interest % on Portfolio



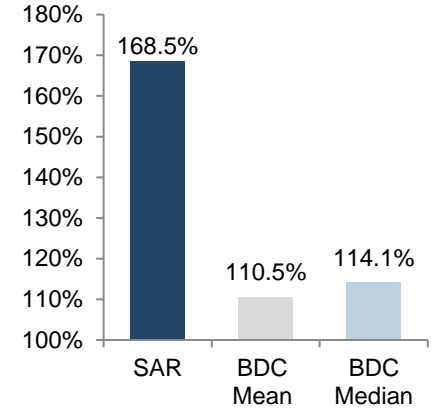
LTM NII Yield



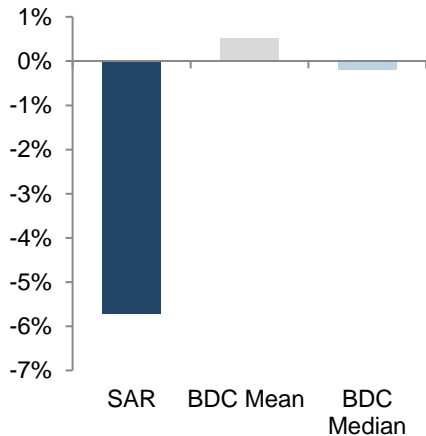
LTM ROE



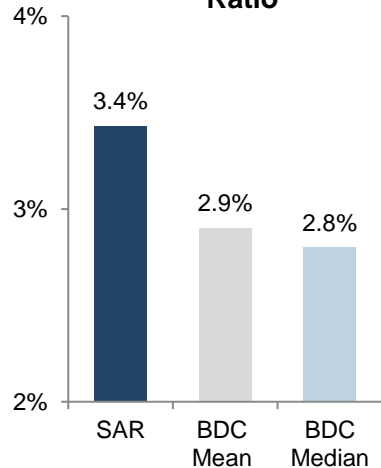
Regulatory Debt/Equity



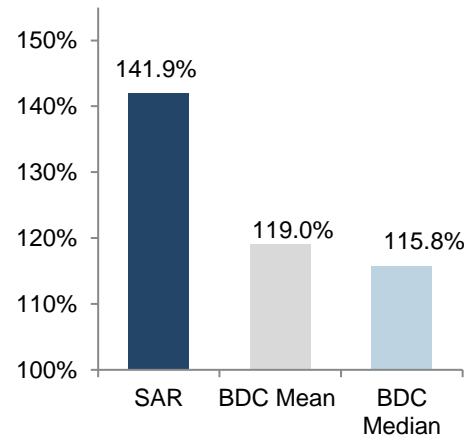
LTM NAV Per Share Growth



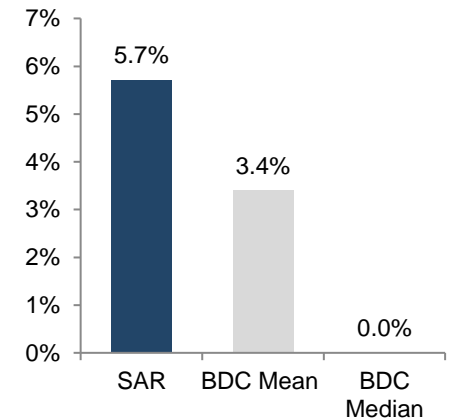
LTM Operating Expense Ratio*



Dividend Coverage



Year-Over-Year Dividend Growth



Source: SNL Financial / Company Filings / Raymond James report as of 6/14/24

* 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 25.7%.

Establishing Competitive Edge vs. Other BDCs

Outstanding performance characteristics

▶ Strong long-term dividend

Increased quarterly dividend by 211% since program launched until Covid deferral; Latest dividend declared of 74c per share for the quarter ended May 31, 2024, up 6% over prior year, represents current dividend yield of 13.1%; significant management ownership of 12.5%

▶ Strong return on equity

Long term ROE factors in both investment income and net gains/losses, averages 10.5% over the past ten years versus industry average of 6.7% - most recent LTM ROE of 4.4% below current industry average of 10.1% primary due to recent discrete non-accruals

▶ Low-cost available liquidity

Borrowing capacity still at hand through new SBIC III debentures, undrawn existing and new credit facility and cash – can grow current asset base by 27% as of quarter ended May 31, 2024, with most of it in cash or low-cost liquidity (SBIC III 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 up 1.1% from prior year - total portfolio fair value 2.4% below cost, with core non-CLO BDC portfolio fair value in line with cost

▶ Well-positioned for changes in interest rates

Approx. 99.4% of our loans have floating interest rates, with interest rates currently higher than all floors. Debt primarily at fixed rates and long-term. Investment grade rating of “BBB+”. All our baby bonds are callable within a year.

▶ 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

98% of credits are the highest quality, 86% 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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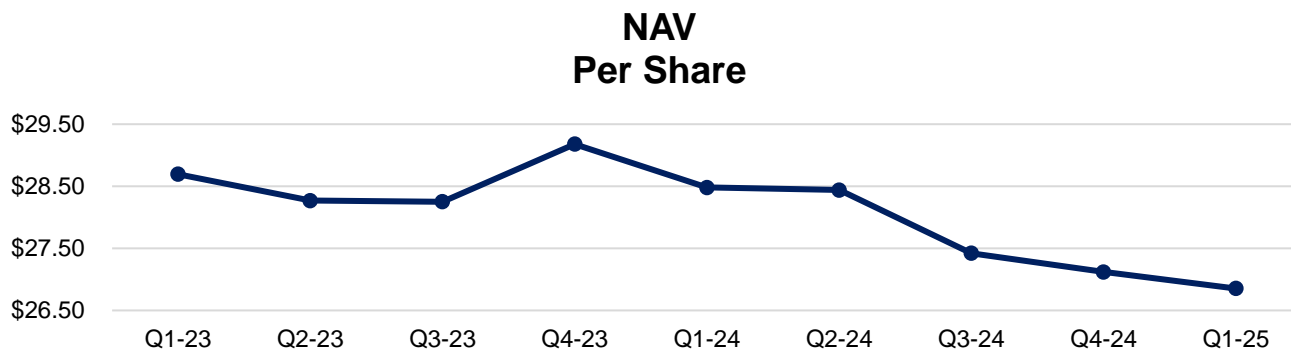
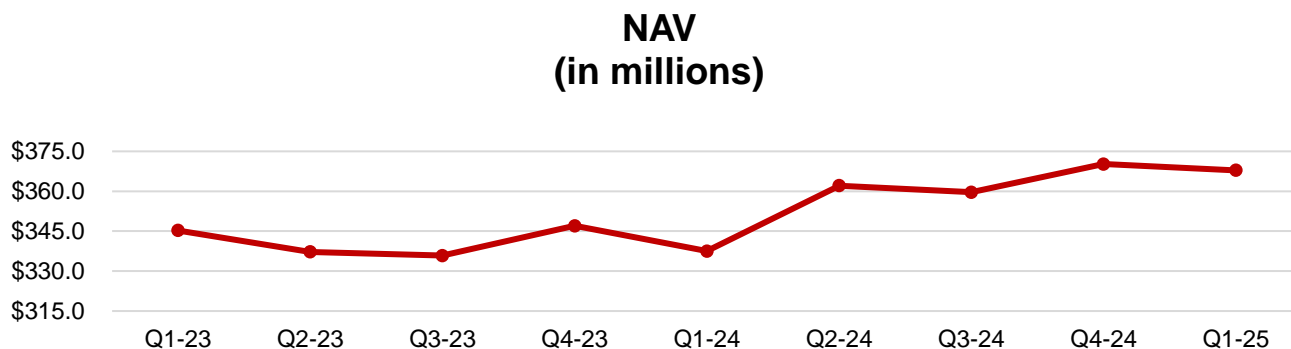
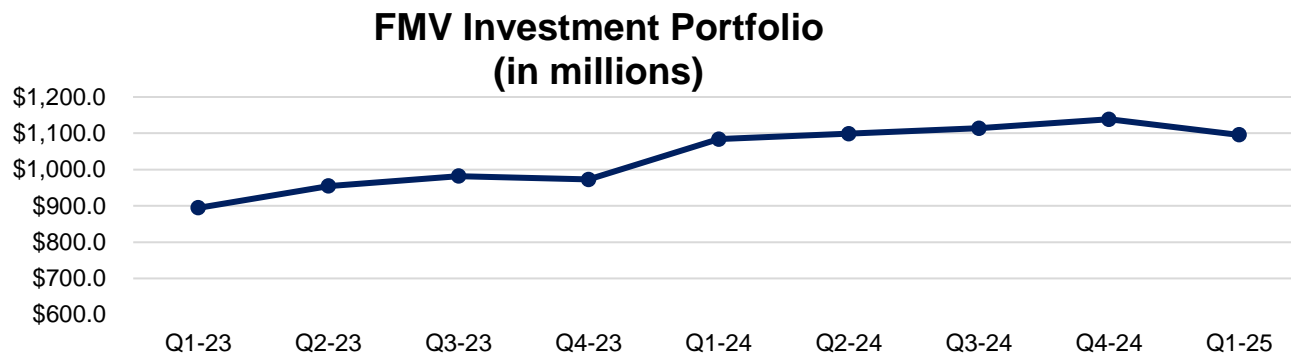
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KPIs – Balance Sheet – Q1 FY25

Period	FMV Investment Portfolio (in millions)
Q1-23	\$ 894.5
Q2-23	\$ 954.7
Q3-23	\$ 982.0
Q4-23	\$ 972.6
Q1-24	\$ 1,084.1
Q2-24	\$ 1,098.9
Q3-24	\$ 1,114.0
Q4-24	\$ 1,138.8
Q1-25	\$ 1,095.6

Period	NAV (in millions)
Q1-23	\$ 345.2
Q2-23	\$ 337.2
Q3-23	\$ 335.8
Q4-23	\$ 347.0
Q1-24	\$ 337.5
Q2-24	\$ 362.1
Q3-24	\$ 359.6
Q4-24	\$ 370.2
Q1-25	\$ 367.9

Period	NAV Per Share
Q1-23	\$ 28.69
Q2-23	\$ 28.27
Q3-23	\$ 28.25
Q4-23	\$ 29.18
Q1-24	\$ 28.48
Q2-24	\$ 28.44
Q3-24	\$ 27.42
Q4-24	\$ 27.12
Q1-25	\$ 26.85



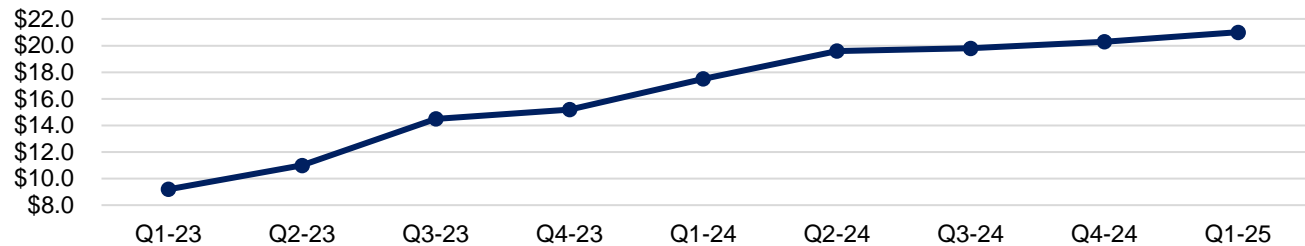
KPIs – Income Statement – Q1 FY25

Period	Net Interest Margin (in millions)
Q1-23	\$ 9.2
Q2-23	\$ 11.0
Q3-23	\$ 14.5
Q4-23	\$ 15.2
Q1-24	\$ 17.5
Q2-24	\$ 19.6
Q3-24	\$ 19.8
Q4-24	\$ 20.3
Q1-25	\$ 21.0

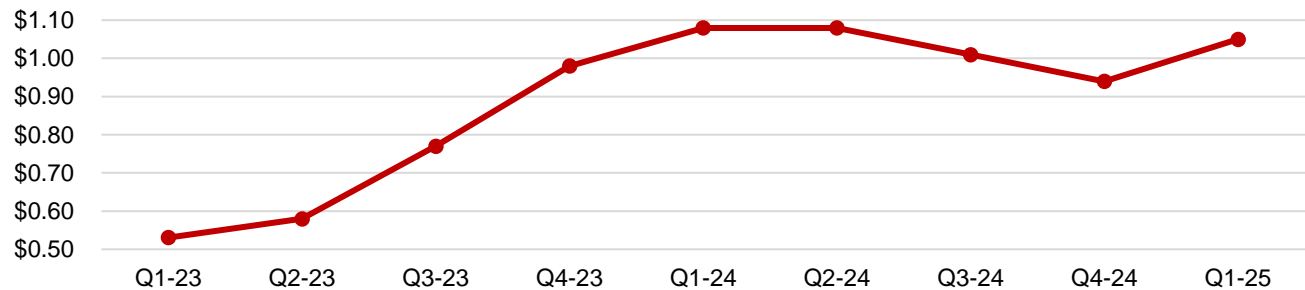
Period	NII Per Share
Q1-23	\$ 0.53
Q2-23	\$ 0.58
Q3-23	\$ 0.77
Q4-23	\$ 0.98
Q1-24	\$ 1.08
Q2-24	\$ 1.08
Q3-24	\$ 1.01
Q4-24	\$ 0.94
Q1-25	\$ 1.05

Period	NII Yield
Q1-23	7.3%
Q2-23	8.2%
Q3-23	10.8%
Q4-23	13.6%
Q1-24	15.0%
Q2-24	15.0%
Q3-24	14.6%
Q4-24	14.0%
Q1-25	15.5%

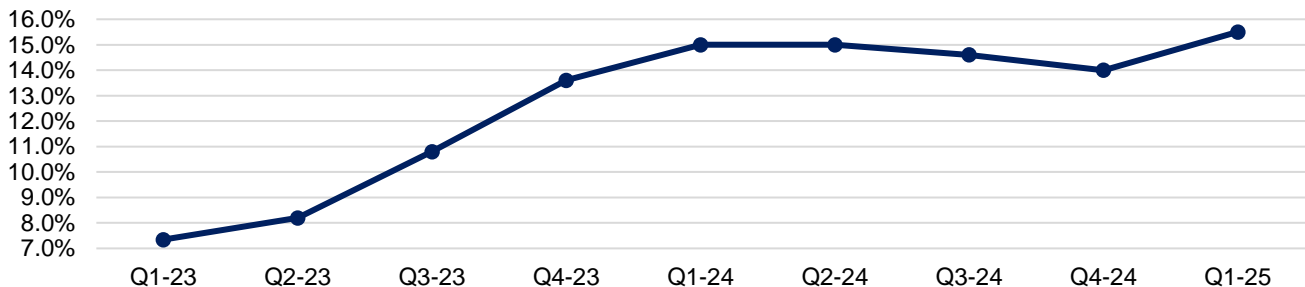
Net Interest Margin Excluding CLO (in millions)



Adjusted NII Per Share

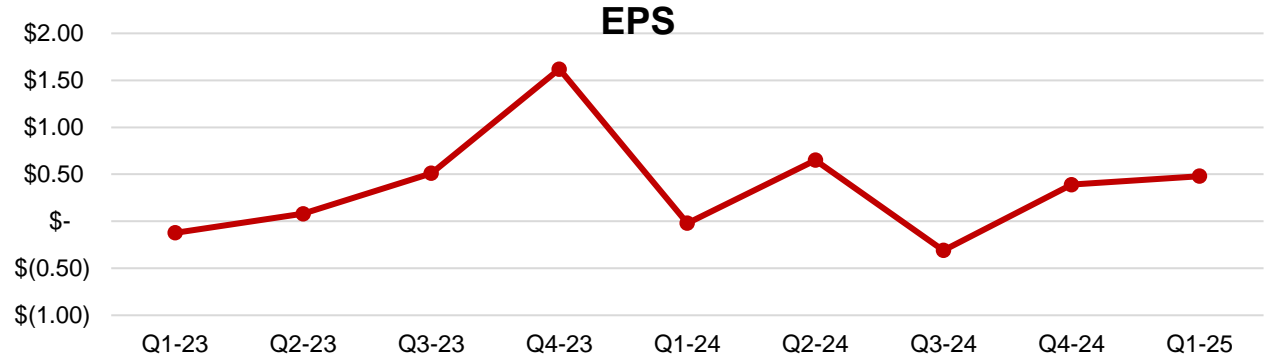


Adjusted NII Yield

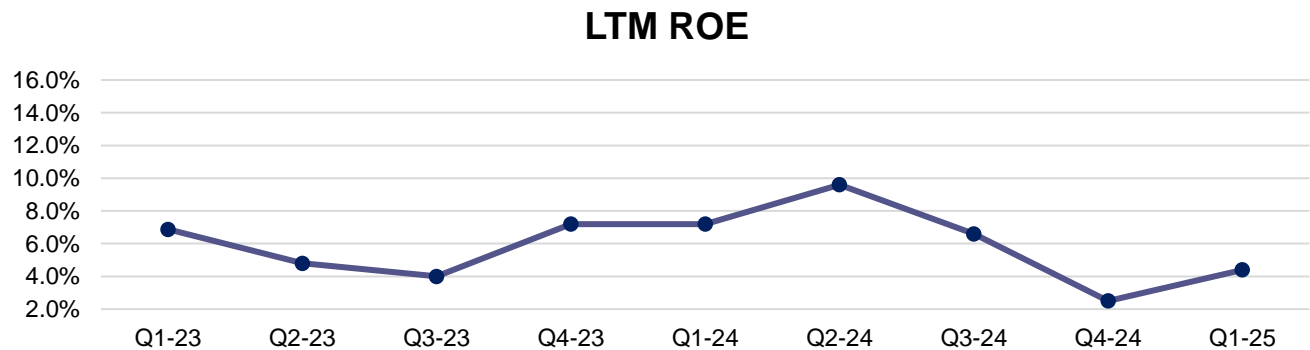


KPIs – Income Statement– Q1 FY25 (continued)

Period	EPS
Q1-23	\$ (0.12)
Q2-23	\$ 0.08
Q3-23	\$ 0.51
Q4-23	\$ 1.62
Q1-24	\$ (0.02)
Q2-24	\$ 0.65
Q3-24	\$ (0.31)
Q4-24	\$ 0.39
Q1-25	\$ 0.48



Period	LTM ROE
Q1-23	6.9%
Q2-23	4.8%
Q3-23	4.0%
Q4-23	7.2%
Q1-24	7.2%
Q2-24	9.6%
Q3-24	6.6%
Q4-24	2.5%
Q1-25	4.4%



KPIs - SAR Net Interest Margin Continues to Grow

SAR Net Interest Margin up 36% the past year and over sevenfold since taking over management

Net Interest Margin

