

Saratoga Investment Corp. Increases Quarterly Dividend by \$0.01, or 1.4%, to \$0.70 per Share for the Fiscal First Quarter Ended May 31, 2023

NEW YORK, May 22, 2023 (GLOBE NEWSWIRE) -- Saratoga Investment Corp. (NYSE:SAR) ("Saratoga Investment" or "the Company"), a business development company, today announced that its Board of Directors has declared a quarterly dividend of \$0.70 per share for the fiscal first quarter ended May 31, 2023, an increase of \$0.01 from \$0.69 per share in the prior fiscal fourth quarter, and the thirteenth quarterly dividend increase in a row. This dividend is payable on June 29, 2023, to all stockholders of record at the close of business on June 13, 2023.

"Our largely floating rate assets, resilient portfolio performance and largely fixed rate liabilities in the current rate and improving spread environment have resulted in record earnings," said Christian L. Oberbeck, Chairman and Chief Executive Officer of Saratoga Investment. "The BDC industry in general has benefitted from this environment, increasing quarterly dividends on average approximately 14% over the past year. Saratoga's first quarter dividend of 70c per share reflects an approximately 32% increase year-over-year. Annualizing this dividend rate, coupled with our last reported adjusted net investment income of 98c per share, imply an 10.6% dividend yield and importantly 14.8% earnings yield based on Saratoga's recent stock price of \$26.52 per share on May 19, 2023"

This is the first dividend declared in fiscal year 2024. The Company previously declared in fiscal 2023 a quarterly dividend of \$0.69 per share for the quarter ended February 28, 2023, \$0.68 per share for the quarter ended November 30, 2022, \$0.54 per share for the quarter ended August 31, 2022 and \$0.53 per share for the quarter ended May 31, 2022. During fiscals 2022 and 2021 the Company declared a total dividend of \$2.45 per share and \$1.23 per share, respectively.

Shareholders will have the option to receive payment of the dividend in cash or receive shares of common stock pursuant to the Company's dividend reinvestment plan ("DRIP"). Saratoga Investment shareholders who hold their shares with a broker must affirmatively instruct their brokers prior to the record date if they prefer to receive this dividend, and future dividends, in common stock. The number of shares of common stock to be delivered shall be determined by dividing the total dollar amount by 95% of the average of the market prices per share at the close of trading on the ten (10) trading days immediately preceding (and including) the payment date.

About Saratoga Investment

Saratoga Investment is a specialty finance company that provides customized financing solutions to U.S. middle-market businesses. The Company invests primarily in senior and unitranche leveraged loans and mezzanine debt, 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'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 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 owns three SBIC-licensed subsidiaries and manages a \$650 million collateralized loan obligation ("CLO") and a joint venture ("JV") fund that owns a \$400 million collateralized loan obligation ("JV CLO") fund. It also owns 52% of the Class F and 100% of the subordinated notes of the CLO, 87.5% of both the unsecured loans and membership interests of the JV and 87.5% of the Class E notes of the JV CLO. The Company's diverse funding sources, combined with a permanent capital base, enable Saratoga Investment to provide a broad range of financing solutions.

Forward Looking Statements

Statements included herein contain certain "forward-looking statements" within the meaning of the federal securities laws, which relate to future events or our future performance or financial condition. Forward-looking statements can be identified by the use of forward looking words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or negative versions of those words, other comparable words or other statements that do not relate to historical or factual matters. The forward-looking statements are based on our beliefs, assumptions and expectations of future events and our future performance, taking into account all information currently available to us. These statements are not guarantees of future events, performance, condition or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including but not limited to the impact of the COVID-19 pandemic and the pandemic's impact on the U.S. and global economy, as well as those described from time to time in our filings with the SEC. Any forward-looking statement speaks only as of the date on which it is made. Saratoga Investment Corp. undertakes no duty to update any forward-looking statements made herein, whether as a result of new information, future developments or otherwise, except as required by law.

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