

History of providing capital solutions for **SOFTWARE COMPANIES**

Investment Team

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OVERVIEW

Saratoga Investment Corp. is a publicly traded (NYSE: SAR) business development company (BDC). We provide customized financing solutions for middle market companies located in the United States. Our investment professionals have a combined 80+ years of experience investing over \$4 billion in middle market businesses.

History of Providing Flexible Financing Solutions for Software Companies

We take a solutions oriented approach to investing and seek to craft capital structures that work for all stakeholders. We have experience investing in over a dozen companies providing software solutions. We understand the importance of providing feedback quickly, being creative in transaction structuring, and closing transactions on time. Saratoga offers a broad range of financing solutions for our partners, including subordinated debt, first and second lien loans, one-stop and unitranche structures and equity co-investments.

Partnership Approach to Providing Capital Solutions

We seek to partner with private equity firms and business owners to help create value over the long term. Our professionals have unique experience investing in all parts of the capital structure across numerous industries. We use the perspective gained from our experience to support business owners (equity sponsors, independent sponsors, family-owned businesses) and management teams with patient capital and guidance as they execute their business plans.

We typically make \$5 million to \$30 million investments in:

Leveraged & Management Buyouts | Recapitalizations | Growth Financings
Acquisition Financings | Transitional Financings

Our typical investments possess many of the following attributes:

Qualitative Parameters

- Leading market position or niche with sustainable competitive advantages
- Exceptional management team with a meaningful stake in the business
- Growth prospects in healthy end markets
- Ability to withstand business cycles

Financial Parameters

- Annual recurring revenues of \$5 million+ or EBITDA of \$2 million+
- Low customer churn
- Strong margins and free cash flow
- Recurring revenues and stable historical performance
- Modest maintenance capital expenditure and working capital requirements

REPRESENTATIVE TRANSACTIONS



Omatic Software

\$5.5 million senior secured loan and \$1.0 million delayed draw term loan to fund working capital and refinance existing debt. Omatic Software's add-on product integrates with Blackbaud's Donor Management Software to manage fundraising, communication and donor campaigns by nonprofits.



Destiny Solutions

\$11.0 million in first lien, delayed draw and equity co-investment to support a private equity sponsor's acquisition of the business. Destiny Solutions provides student lifecycle management software used by higher education institutions to manage their continuing education and non-degree educational programs for non-traditional students.



Passageways

\$5.0 million first lien loan and equity co-investment to support a private equity sponsor's acquisition of the business. Passageways provides board management solutions to allow board members and employees to create, review and archive board materials.



inMotionNow

\$12.2 million senior secured loan and \$5.0 million delayed draw term loan to support the recapitalization of the business. inMotionNow provides workflow management software to allow marketing and creative teams to address the critical stages of the creative production process.



Faulkner Media Group

\$15.0 million second lien financing to refinance existing debt and provide working capital. Faulkner Media Group provides a digital marketing product suite to manage media presence, lead generation tools, and compliance-approved content for small financial advisors and insurance broker clients.



Identity Automation

\$24.2 million senior secured loan and equity co-investment provided in multiple stages to support the initial acquisition by a private equity sponsor, organic growth, and a strategic acquisition. Identity Automation is a leading provider of identity and access management software products.



Censis Technologies

\$13.0 million in unitranche debt and equity investment to support a private equity sponsor's acquisition of the business. Censis provides surgical instrument tracking and workflow solutions for hospitals.



GDS Link

\$7.8 million in first lien financing and equity to support a private equity sponsor's acquisition of the business. GDS Link provides data and decision management software used by the lending community to support credit analytics and fraud management.



Netreo

\$5.0 million in first lien financing and equity co-investment to support a fundless sponsor's acquisition of the business. Netreo provides installation, and IT management and maintenance services for monitoring, reporting and alerting applications.



HemaTerra Technologies

\$9.0 million unitranche debt, delayed draw, and equity co-investment to support a private equity sponsor's acquisition of the business. HemaTerra Technologies provides web-based software for blood collection centers, plasma donation centers, and hospital-based blood collection centers.