



GLADSTONE INVESTMENT

Gladstone Investment Corporation Announces Closing of Offering of 2,990,000 Shares of its 6.375% Series E Cumulative Term Preferred Stock for Gross Proceeds of Approximately \$74.8 million

August 22, 2018

MCLEAN, Va., Aug. 22, 2018 (GLOBE NEWSWIRE) -- Gladstone Investment Corporation (Nasdaq: GAIN) (the "Company") today announced that it closed its previously announced offering of 2,600,000 shares of its newly-designated 6.375% Series E Cumulative Term Preferred Stock due 2025 (the "Series E Term Preferred Shares") at a public offering price of \$25.00 per share. Simultaneously with the closing of the offering, the underwriters exercised in full their option to purchase an additional 390,000 Series E Term Preferred Shares on the same terms to cover over-allotments, resulting in a total issuance of 2,990,000 shares for gross proceeds of approximately \$74.8 million and net proceeds of approximately \$72.1 million, after payment of underwriting discounts and commissions and estimated offering expenses.

The Series E Term Preferred Shares are expected to begin trading on the Nasdaq Global Select Market on or about August 23, 2018 under the symbol "GAINL." The Series E Term Preferred Shares are mandatorily redeemable on August 31, 2025 at \$25.00 per share. BMO Capital Markets Corp., Janney Montgomery Scott LLC and Ladenburg Thalmann & Co. Inc., a subsidiary of Ladenburg Thalmann Financial Services Inc. (NYSE MKT: LTS), served as joint book-running managers. B. Riley FBR, Inc. served as lead manager and J.J.B. Hilliard, W.L. Lyons, LLC, Wedbush Securities Inc., William Blair & Company, L.L.C., National Securities Corporation, a wholly owned subsidiary of National Holdings Corporation (NasdaqCM: NHLD), and Boenning and Scattergood, Inc. served as co-managers of the offering.

The Company intends to use the net proceeds from this offering, plus borrowings under its credit facility, as necessary, to redeem all outstanding shares of its 6.75% Series B Cumulative Term Preferred Stock and its 6.50% Series C Cumulative Term Preferred Stock and for other general corporate purposes.

This offering was made pursuant to the Company's existing shelf registration statement, previously filed with the Securities and Exchange Commission ("SEC") (File No. 333-225447).

A final prospectus supplement related to the offering was filed with the SEC on August 15, 2018, posting publicly to EDGAR on August 16, 2018, and is available on the SEC website at www.sec.gov, or by contacting BMO Capital Markets Corp., Attention: Syndicate Department, 3 Times Square, 25th Floor, New York, New York 10036, Phone: (800) 414-3627, Email: bmo.prospectus@bmo.com; or Janney Montgomery Scott LLC, Attention: Prospectus Department, 1717 Arch Street, Philadelphia, Pennsylvania 19103, Phone: (215) 665-6130, Email: prospectus@janney.com. The prospectus supplement, dated August 14, 2018, and accompanying prospectus, dated July 13, 2018, each of which has been filed with the SEC, contain a description of these matters and other important information about the Company and should be read carefully before investing. Investors are advised to carefully consider the investment objectives, risks and charges and expenses of the Company before investing.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

About Gladstone Investment Corporation: Gladstone Investment Corporation is a publicly traded business development company that seeks to make secured debt and equity investments in lower middle market businesses in the United States in connection with acquisitions, changes in control, and recapitalizations. The Company has paid 157 consecutive monthly cash distributions on its common stock.

Forward-Looking Statements

This press release contains statements as to the Company's intentions and expectations of the outcome of future events that are forward-looking statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made. These statements relate to the anticipated use of the net proceeds by the Company for the redemption of its 6.75% Series B Cumulative Term Preferred Stock and its 6.50% Series C Cumulative Term Preferred Stock. No assurance can be given that the redemptions discussed above will be completed on the terms described, or at all. The application of net proceeds is subject to numerous conditions, many of which are beyond the control of the Company. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. For a description of certain risks to which the Company is or may be subject, please refer to the factors discussed under the captions "*Forward-Looking Statements*" and "*Risk Factors*" included in the Company's filings with the SEC (accessible at www.sec.gov).

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Source: Gladstone Investment Corporation