

Gladstone Investment Corporation Recapitalizes its Investment in Old World Christmas

MCLEAN, VA / ACCESSWIRE / December 21, 2020 /Gladstone Investment Corporation (NASDAQ:GAIN) ("Gladstone Investment") announced today the recapitalization of its portfolio company Old World Christmas, Inc. ("Old World"), with the origination of a new secured term loan. As a result of this transaction, Gladstone Investment received significant equity proceeds and realized a capital gain and other income. The new term loan also provides Old World with increased cash at close, currently allocated for future investment opportunities. Gladstone Investment originally acquired Old World in partnership with management in 2014.

Old World, headquartered in Spokane, WA, is a market-leading provider of figural glass Christmas ornaments, selling to small businesses and consumers across the country.

"Gladstone Investment has established a strong relationship with Old World's management team over the last six years. Old World has met every goal we set at the time of acquisition, and we are proud to partner with such a strong team," said Kyle Largent, Executive Vice President of Gladstone Investment. "While historical performance has been fantastic, we believe that Old World's best days lie ahead, and are excited to recapitalize the business, positioning the company for continuing success."

"With the recapitalization of Old World, Gladstone Investment has shown its confidence in the long-term vision of the management team, including new CEO Neal Applefeld and COO/CFO Christine Erickson, who have led Old World to its most profitable year ever in 2020," said David Dullum, President of Gladstone Investment. "Our strategy as a buyout fund, realizing gains on equity, while also generating strong current income during the investment period from debt investments alongside our equity investments, provides meaningful value to shareholders through stock appreciation and dividend growth. This transaction shows our flexibility to back fantastic management teams over extended hold periods while realizing capital gains for our shareholders."

Gladstone Investment Corporation is a publicly traded business development company that seeks to make secured debt and equity investments in lower middle market private businesses in the United States in connection with acquisitions, changes in control and recapitalizations. Additional information can be found at www.gladstoneinvestment.com.

For Investor Relations inquiries related to any of the monthly distribution-paying Gladstone family of funds, please visit www.gladstone.com.

Forward-looking Statements:

The statements in this press release regarding the longer-term prospects of Gladstone Investment and Old World and its management team, and the ability of Gladstone

Investment and Old World to be successful in the future are "forward-looking statements." These forward-looking statements inherently involve certain risks and uncertainties in predicting future results and conditions. Although these statements are based on Gladstone Investment's current beliefs that are believed to be reasonable as of the date of this press release, a number of factors could cause actual results and conditions to differ materially from these forward-looking statements, including those factors described from time to time in Gladstone Investment's filings with the Securities and Exchange Commission. Gladstone Investment undertakes no obligation to update or revise these forward-looking statements whether as a result of new information, future events or otherwise, except as required by law.

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