

Gladstone Investment Corporation Exits its Investment in Frontier Packaging

MCLEAN, VA / ACCESSWIRE / January 4, 2021 /Gladstone Investment Corporation (NASDAQ:GAIN) ("Gladstone Investment") announced today the sale of its portfolio company Frontier Packaging, Inc. ("Frontier Packaging," or "Frontier"). As a result of this transaction, Gladstone Investment received repayment of its debt investment at par and realized a significant gain on its equity investment. Gladstone Investment acquired Frontier Packaging in partnership with management in 2012.

Frontier Packaging, headquartered in Tukwila, WA, is a market-leading provider of packaging materials to the fish processing industry across the Pacific Northwest and Alaska.

"Gladstone Investment has developed a strong relationship with Frontier's management team over nearly a decade. We believe this is the strongest management team in the industry and are proud to have supported them through a period of sustained growth," said Kyle Largent, Executive Vice President of Gladstone Investment. "We wish Frontier and the management team continued success."

"With our sale of Frontier Packaging and from our inception in 2005, Gladstone Investment has exited over 20 of its management supported buy-outs, generating significant net realized gains on these investments in the aggregate," 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 our shareholders through stock appreciation and dividend growth. Significant winners like Frontier prove out our focus on buying high quality businesses, backing outstanding management teams and being able to have investments with long hold periods."

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.gladstonecompanies.com.

Forward-looking Statements:

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