November 17, 2026

Gladstone Capital Reports Fourth Quarter and Fiscal Year 2026 Results

Net Investment Income of $0.49 Per Share for the Fourth Quarter and $2.00 Per Share for Fiscal 2026

Net Asset Value of $20.77 Per Share

Conference Call on Wednesday, November 18, 2026, at 8:30 a.m. ET

MCLEAN, VA / ACCESS Newswire / November 17, 2026 /Gladstone Capital Corporation (Nasdaq:GLAD) (the "Company") today announced earnings for its fourth quarter and fiscal year ended September 30, 2026. Please read the Company's Annual Report on Form 10-K filed today with the U.S. Securities and Exchange Commission (the "SEC"), which is available on the SEC's website at www.sec.gov and the Investors section of the Company's website at www.GladstoneCapital.com.

Fourth Quarter and Fiscal Year 2026 Highlights:

- **Net Investment Income:** $11.0 million, or $0.49 per share, for the quarter, and $45.1 million, or $2.00 per share, for fiscal 2026
- **Distribution Coverage:** Net investment income after preferred stock dividends covered 100% of the regular monthly distributions for the quarter and 104.5% for fiscal 2026
- **Net Asset Value:** $20.77 per share; the $0.73 decrease during the quarter reflects $0.55 per share of net realized and unrealized losses, and the $0.18 per share supplemental distribution
- **Distributions:** Paid regular monthly distributions of $0.45 per common share and a supplemental distribution of $0.18 per common share during the quarter
- **Investment Activity:** Invested $83.9 million during the quarter and $308.7 million during fiscal 2026, including $171.4 million in 11 new portfolio companies
- **Non-Accruals:** Loans to the same five portfolio companies as the prior quarter remained on non-accrual status, representing 2.8% of debt investments at fair value after markdowns
- **Leverage:** Total principal debt of $447.5 million; debt-to-equity of 1.08x including the Series A preferred stock as debt, compared to 1.00x at June 30, 2026

Comments from Gladstone Capital's Chief Executive Officer, Bob Marcotte:

"Gladstone Capital closed fiscal 2026 with a $956 million investment portfolio, an 11.7% increase in total investment income and $2.00 in net investment income per share. Our longstanding focus on the lower middle market has built strong sponsor relationships and a steady flow of attractive lending opportunities. We originate and underwrite our own investments, and the same team remains actively involved through exit. Fourth-quarter

unrealized depreciation was concentrated in two existing non-earning investments and several previously appreciated equity positions. We know these businesses well and are managing each situation with the same discipline that has served us well over the past 25 years. Our priority for fiscal 2027 is to translate portfolio growth into higher earnings and deliver strong economic returns for our shareholders."

Summary Information (dollars in thousands, except per share data) (unaudited):

	Quarter Ended		Year Ended	
	September 30, 2026	June 30, 2026	September 30, 2026	September 30, 2025
Total investment income	$ 24,580	$ 24,495	$ 99,578	$ 89,122
Total expenses, net of credits	(13,552)	(13,490)	(54,443)	(43,915)
Net investment income	11,028	11,005	45,135	45,207
Net investment income per common share	$ 0.49	$ 0.49	$ 2.00	$ 2.02
Regular distributions declared per common share	$ 0.45	$ 0.45	$ 1.80	$ 1.98
Supplemental distributions per common share	$ 0.18	-	$ 0.18	$ 0.50
Net realized gain (loss)	1,262	(20)	968	55,642
Net unrealized appreciation (depreciation)	(13,615)	3,014	(11,460)	(42,739)
Net increase (decrease) in net assets from operations	(2,187)	13,270	31,996	57,191
As of:	**September 30, 2026**	**June 30, 2026**	**September 30, 2026**	**September 30, 2025**
Total investments, at fair value	$ 955,802	$ 953,326	$ 955,802	$ 859,124
Net assets	469,298	485,717	469,298	482,035
Net asset value per common share	$ 20.77	$ 21.50	$ 20.77	$ 21.34
Debt-to-equity, including preferred stock	1.08 x	1.00 x	1.08 x	0.89 x

Debt-to-equity includes the Series A preferred stock at its liquidation preference as debt; "-" indicates none declared.

Fourth Fiscal Quarter 2026 Results:

Investment Income: Total investment income was $24.6 million, up 0.3% from the prior quarter, as the weighted average principal balance of interest-bearing investments and the weighted average yield were largely unchanged.

Net Expenses: Total expenses, net of credits, were $13.6 million, up 0.5%, as higher interest expense and base management fees more than offset a $0.6 million decrease in the net incentive fee, which included a $0.5 million credit from the Adviser.

Net Investment Income: Net investment income was $11.0 million, or $0.49 per share. After $0.9 million of preferred stock dividends, it covered approximately 100% of the $10.2 million of regular monthly distributions declared, excluding the $0.18 per share supplemental distribution.

Net Assets: The net decrease in net assets resulting from operations applicable to common stockholders was $2.2 million, or $0.10 per share, driven by $13.6 million of net unrealized depreciation, including $9.2 million on control investments. Net asset value per share decreased $0.73, or 3.4%, to $20.77, reflecting $0.55 per share of net realized and unrealized losses and the $0.18 per share supplemental distribution paid to stockholders during the quarter.

Fiscal Year 2026 Results:

Investment Income: Total investment income increased 11.7% to $99.6 million. Interest income increased 9.7% to $95.8 million, as the weighted average principal balance of interest-bearing investments grew 17.9%, partially offset by a decline in the weighted average yield to 11.9% from 12.7%. Other income increased $1.9 million to $3.8 million on higher dividend income.

Net Expenses: Total expenses, net of credits, increased 24.0% to $54.4 million, reflecting a $5.0 million increase in interest expense on higher average borrowings under the Credit Facility, a $2.9 million increase in the net base management fee on higher average total assets and a $1.9 million increase in the net incentive fee, which included $0.5 million of credits from the Adviser compared to $2.3 million in the prior year.

Net Investment Income: Net investment income was $45.1 million, or $2.00 per share, as higher expenses offset the growth in investment income. After $2.6 million of preferred stock dividends, it covered 104.5% of the $40.7 million of regular monthly distributions declared.

Net Assets: The net increase in net assets resulting from operations applicable to common stockholders was $32.0 million, or $1.42 per share, as $20.2 million of unrealized depreciation on control investments more than offset net gains on other investments. Net asset value per share decreased $0.57, or 2.7%, to $20.77.

Portfolio and Investment Activity:

As of September 30, 2026, the Company's portfolio had a fair value of $955.8 million, with a cost basis of $984.8 million, in 59 portfolio companies across 17 industries. The portfolio at fair value was comprised of 72.9% secured first lien debt, 15.8% secured second lien debt, 4.7% preferred equity and 6.5% common equity and equivalents. For the quarter ended September 30, 2026, the Company invested $83.9 million, including $32.8 million in two new portfolio companies and $51.1 million in existing portfolio companies, and received $70.7 million of repayments and net proceeds. For fiscal 2026, the Company invested $308.7 million, including $171.4 million in 11 new portfolio companies and $137.4 million in existing portfolio companies, and received $210.0 million of repayments and net proceeds.

As of September 30, 2026, loans to five portfolio companies were on non-accrual status with a cost basis of $52.9 million, or 6.0% of the cost basis of all debt investments in the portfolio, and a fair value of $23.8 million, or 2.8% of the fair value of all debt investments in the portfolio, compared to $50.5 million, or 5.8%, and $30.6 million, or 3.6%, for the same five portfolio companies as of June 30, 2026. The lower fair value reflects markdowns during the quarter. No investments were added to or removed from non-accrual status during the quarter.

Liquidity and Capital Resources:

As of September 30, 2026, the Company had cash and cash equivalents of $1.8 million and $188.0 million outstanding under its $385.0 million revolving credit facility, with approximately $177.7 million available under the borrowing base, subject to covenants and other restrictions, and $259.5 million in aggregate principal amount of notes outstanding, for total principal debt of $447.5 million. During the quarter, the Company increased commitments

under its revolving credit facility by $20.0 million to $385.0 million.

Debt-to-equity, including the Series A preferred stock at its liquidation preference as debt, was 1.08x on net assets of $469.3 million at September 30, 2026, compared to 1.00x at June 30, 2026 (0.95x and 0.90x on principal debt alone). The Company's asset coverage on senior securities representing indebtedness was 212.7%, compared to the 150% minimum required under the Investment Company Act of 1940. Floating-rate borrowings represented 42.0% of principal debt, and the next scheduled note maturity is $50.0 million of 3.75% Notes due May 1, 2027. During the quarter, the Company issued $6.8 million of its 6.25% Series A Cumulative Redeemable Preferred Stock through its continuous offering; 2,283,854 preferred shares were outstanding at September 30, 2026 with an aggregate liquidation preference of $57.1 million.

Subsequent Events:

Subsequent to September 30, 2026, the following significant events occurred:

- **Portfolio Activity:**
  - In November 2026, we invested an additional $6.9 million in Quality Environmental Midco, Inc., an existing portfolio company, through secured first lien debt and preferred equity.
- **Management and Board:**
  - Effective October 1, 2026, Michael McQuigg was appointed President of the Company, as previously announced on March 23, 2026. Bob Marcotte continues to serve as Chief Executive Officer.
  - On October 22, 2026, Walter H. Wilkinson Jr. resigned from the Board of Directors. The Board appointed George "Chip" Stelljes, III to succeed Mr. Wilkinson as Lead Independent Director and fixed the number of directors at seven, each effective October 26, 2026.
- **Distributions and Dividends Declared:**
  - In October 2026, our Board of Directors declared the following distributions to common and preferred stockholders:

Record Date	Payment Date		Distribution per Share
Common Stock			
October 23, 2026	October 30, 2026		$ 0.15
November 19, 2026	November 30, 2026		0.15
December 21, 2026	December 31, 2026		0.15
		Total for the Quarter	**$ 0.45**
Series A Preferred Stock			
October 28, 2026	November 5, 2026		$ 0.130208
November 25, 2026	December 4, 2026		0.130208
December 28, 2026	January 5, 2027		0.130208
		Total for the Quarter	**$ 0.390624**

Conference Call for Stockholders:

The Company will hold its earnings release conference call on Wednesday, November 18, 2026, at 8:30 a.m. Eastern Time. Please call (866) 424-3437 to enter the conference call. A replay of the conference call will be available beginning approximately one hour after the call

concludes through November 25, 2026. To hear the replay, please dial (877) 660-6853 and use playback conference number 13762359. The live audio broadcast of the Company's quarterly conference call will also be available online at www.GladstoneCapital.com. The event will be archived and available for replay on the investors section of the Company's website. The webcast link is https://event.choruscall.com/mediaframe/webcast.html?webcastid=z3c80zyt. The Company's investor presentation for the fiscal year ended September 30, 2026 will be posted in the Investors section of www.GladstoneCapital.com.

About Gladstone Capital Corporation:

Gladstone Capital Corporation is a publicly-traded business development company that invests in debt and equity securities, consisting primarily of secured first and second lien term loans to lower middle market businesses in the United States. Information on the business activities of Gladstone Capital and the other publicly-traded Gladstone funds can be found at www.GladstoneCompanies.com.

To obtain a paper copy of the Company's most recent Form 10-K, please contact the Company at 1521 Westbranch Drive, Suite 100, McLean, VA 22102, ATTN: Investor Relations. The financial information above is not comprehensive and is without notes, so readers should obtain and carefully review the Company's Form 10-K for the year ended September 30, 2026, including the notes to the consolidated financial statements contained therein.

Investor Relations Inquiries: Please visit www.GladstoneCompanies.com or (703) 287-5893.

Forward-looking Statements:

The statements in this press release about future growth and shareholder returns are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements inherently involve certain risks and uncertainties in predicting future results and conditions. Although these statements are based on our current plans 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 our filings with the U.S. Securities and Exchange Commission. The Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements that may be made to reflect any future events or otherwise, except as required by law.

SOURCE: Gladstone Capital Corporation

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