



GLADSTONE CAPITAL

Investing Since 2001

**Investor Presentation
for the Quarter Ended**

June 30, 2025

NASDAQ: GLAD

FINANCING FOR LOWER MIDDLE MARKET COMPANIES

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These forward-looking statements inherently involve numerous risks, assumptions, and uncertainties, both general and specific. The risk exists that these statements may not be fulfilled. Although these statements are based on information available to us as of the date of this presentation, which we believe is reasonable, we caution readers of this presentation not to place undue reliance on these forward-looking statements as a number of known and unknown factors could cause future results to differ materially from these statements, including those factors listed under the caption “Risk Factors” in our Form 10-K and Form 10-Q filings, our registration statement, and other filings we may make with the Securities and Exchange Commission, all of which can be found on the investors section of our web site at www.GladstoneCapital.com or the SEC’s web site, www.SEC.gov.

Forward-looking statements may be influenced in particular by factors such as the overall impact of public health emergencies, fluctuations in interest rates and stock indices, the effects of competition in the areas in which we operate, and changes in economic, political, regulatory and technological conditions. We caution that the foregoing list is not exhaustive. When considering forward-looking statements when making decisions, investors should carefully consider the aforementioned factors as well as other uncertainties and events.

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**Amounts in tables and charts in thousands, except for share and per share amounts and as otherwise stated.

Gladstone Capital Quarterly Highlights

(as of 6/30/2025)

Financial Results

- Net Investment Income Per Share: \$0.50
- Net Asset Value Per Share: \$21.25 (\$0.16 decline from prior quarter-end)
- LTM ROE: 15.8% per GAAP and 9.4% on net investment income
- Monthly dividends per share: \$0.165 or annualized dividend yield on NAV of 9.32%

Portfolio

- Total investments at fair value of \$751.3 million invested in 51 companies
- \$73 million of new investments and repayments of \$82 million, so investments fell \$9 million
- Weighted average yield on debt investments rose 20bp to 12.8% on one-time items ⁽¹⁾
- 70% of portfolio in first-lien loans and 90% in secured loans
- Weighted average and median borrower EBITDA of \$9.7 million and \$8.5 million⁽²⁾, respectively
- Average investment by obligor of \$15.3 million or 2% investment portfolio at fair value
- Three obligors on non-accrual representing \$11.5 million or 1.7% of debt investments (fair value)

Debt & Liquidity

- Outstanding debt at quarter-end of \$282 million for debt-to-equity ratio of 0.61x
- Bank facility maturity extended and pricing reduced with \$278 million of availability at quarter end

Recent Events

- Declared regular distribution of \$0.165/share per month for Jul., Aug., and Sep. (\$0.495 total)
- Post quarter end investments closed total \$93 million, including four new platforms

¹ Actual yields earned over the life of investments could be materially different from the yields presented herein.

² Both exclude certain investments on the watchlist and investments with TTM EBITDA greater than \$25 million.

Gladstone Capital Investment Highlights

 Lending focused on growth-oriented lower middle market businesses

 Experienced, long-tenured leadership and investment team

 Proprietary sourcing and execution model with high degree of selectivity

 Diversified, conservative portfolio with focus on senior secured, first lien loans

 Active portfolio management and risk monitoring

 Focus on shareholder alignment

Gladstone Capital Overview

Background:

- Founded in 2001 with the purpose of making loans to lower middle market U.S. businesses, Gladstone Capital's investment team is exclusively focused on this segment of the private capital market
- Gladstone Capital is funded through publicly traded common stock (*Nasdaq: GLAD*) and is leveraged via various senior unsecured note issues and a bank revolving credit facility
- Managed by Gladstone Management Corporation, an SEC registered investment adviser managing \$4.0+ billion in assets across four publicly traded yield-oriented funds and one newly-formed private interval fund

Investment Strategy:

- Target direct originated secured debt investments in growth-oriented companies with revenue visibility and free cash flow to support organic deleveraging and where capital structure flexibility and lender support are valued
- Target companies with operating cash flow (EBITDA) of \$3-25 million and investments of \$8-40 million which are below the investment threshold of most of the large-scale private capital funds
- Majority of investments are backed by private equity sponsors (~81% of the portfolio at 6/30/25), which provide governance oversight, strategic sector insight, experience managing leveraged capital structures and access to additional investment capacity to support growth

Deal Sourcing/Diligence/Risk Management:

- Leverage experienced origination team to source, structure, undertake "equity level" diligence and pro-actively manage investments via ongoing board level participation to mitigate credit losses
- Highly selective screening process where under 5% of deals reviewed ultimately close and all deals require financial maintenance covenants
- All investments undergo ongoing senior management review, quarterly third-party expert investment valuations in support of SEC filed financials which are subject to quarterly oversight by Gladstone Capital's audit committee and independent board members

Attractive Lower Middle Market Dynamics

Why focus on lower middle market (“LMM”) companies

- Greater industry diversity and more consistent flow of growth-oriented investment opportunities
- Lower cash flow purchase multiples in the LMM translate to reduced financial leverage, better asset collateral coverage, and the ability for lenders to structure and control entire debt financing solutions
- Smaller investment threshold attracts less competition from larger private debt funds or commercial banks, supporting more attractive investment returns at lower relative leverage levels, often with more lender-friendly documentation
- LMM companies and PE Sponsors are more receptive to equity co-investments, offering opportunities to selectively participate in anticipated growth and equity appreciation
- Proprietary origination and lead lender solution approach provide elevated diligence insight and management team access, leading to greater visibility and influence over strategy & risk mitigation

Trends Enhancing Opportunity for Non-Bank/Private Credit Lenders

- PE Sponsors aiming to scale LMM platform investments rely upon flexible financing solutions, often requiring future funding to support growth efforts, which demands a more experienced and responsive lender capable of underwriting long-term equity strategies with the agility to respond to changing conditions and new opportunities
- Providing streamlined “one-stop” financing solutions accelerates transaction closings, provides GLAD access to primary diligence and control over documentation, and simplifies future growth funding or facility modifications for the borrower
- Shifting capital market conditions and regulatory or internal leverage lending constraints continue to hamper the commercial bank participation in as cashflow lenders to the LMM PE sponsor community
- Over 90% of private debt funds raised exceed \$1B, with multi-billion-dollar firms prioritizing larger borrowers (>\$25 million EBITDA), aligning with institutional capital deployment objectives and lower-fee structures

LMM is a less competitive segment of the leveraged finance market, offering a more attractive risk reward profile that aligns well with the investment flexibilities of Gladstone Capital’s non-bank investment platform

Gladstone Capital 6/30/2025 Quarter Summary

Originations/Portfolio Activity:

- New investments totaled \$73 million during the quarter and included two new PE Sponsored investments in the healthcare and industrial manufacturing sectors.
- Portfolio exits, amortization payments, and prepayments were \$82 million
- The vast majority of the anticipated portfolio liquidity events are behind us and between our remaining new deal pipeline and new investment opportunities, we anticipate a resurgence on our portfolio growth.

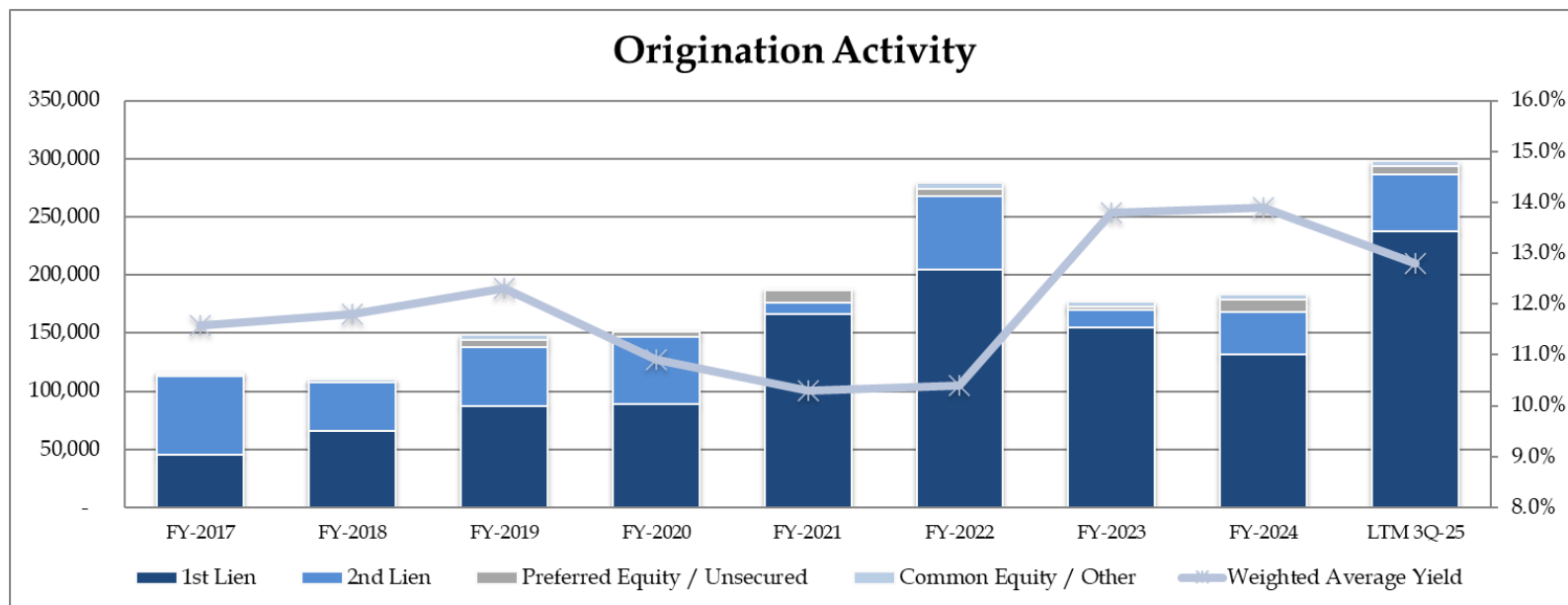
Portfolio Yield / Net Investment Income (NII):

- Interest income for the period fell slightly to \$20.9 million, largely as the result of the 5.2% decline in average earning assets, however the weighted average portfolio yield rose 20bp to 12.8% for the quarter with one-time items associated with prepayments.
- Other investment income rose \$0.6 million from the prior quarter which increased total investment income by \$0.1 million, to \$21.7 million.
- Total expenses rose by less than \$0.1 million, with interest expenses declining \$0.6 million with lower average bank borrowings, offset by higher professional fees and net management fees.
- Net investment income for the quarter rose at ~\$11.3 million (from ~\$11.2 million) or \$0.50 per share and covered common distributions.

Portfolio Performance and Valuation:

- Our portfolio continues to perform well with modest leverage metrics and favorable liquidity. We ended the quarter with three non-earning debt investments representing 1.7% of debt investments at fair value.
- Conservative asset mix with ~90% of investments in secured loans, 70% in lower risk 1st lien loans and weighted average leverage across core proprietary loan portfolio of 4.0x.
- Net realized losses were \$3.6 million, the bulk related to the post-restructuring valuation of Eege's (which is now performing). Balance sheet appreciation of the portfolio offset decliners, bringing our ROE to 15.8% for the TTM period.

Gladstone Capital Origination Activity

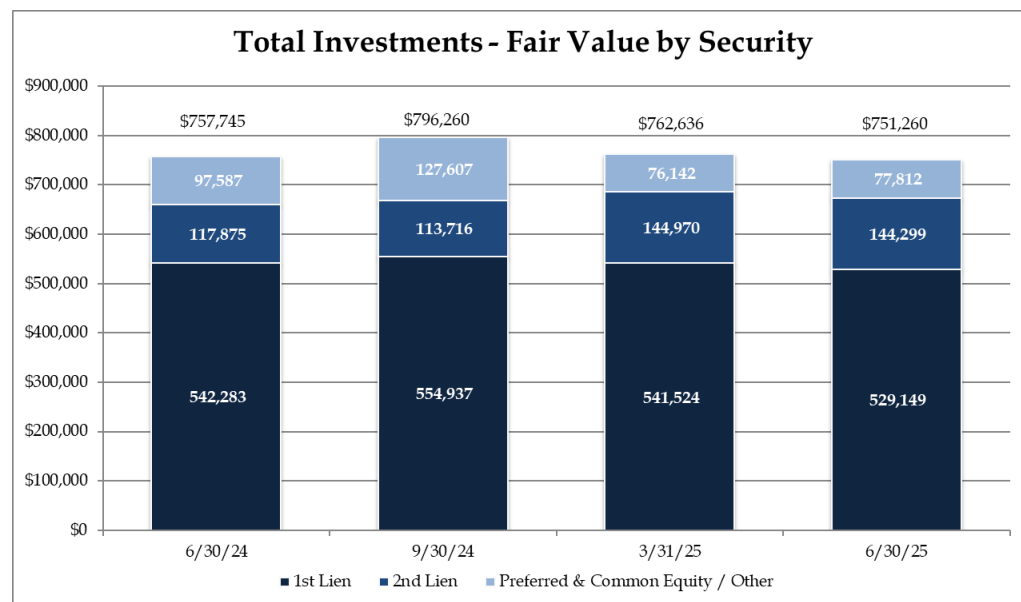


Gladstone Capital Quarterly Net Investment

	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	3/31/2025	6/30/2025
New Investments at Cost	\$ 11,000	\$ 15,000	\$ 27,250	\$ -	\$ 107,159	\$ 38,265	\$ -	\$ 58,600
Disbursements to Existing Portfolio Companies	27,393	46,998	29,735	19,139	28,527	44,457	7,330	14,352
Sales, Repayments, Other Exits at Cost	(41,017)	(22,066)	(15,146)	(86,420)	(12,638)	(165,343)	(81,274)	(82,205)
Net New Investments at Cost	<u>\$ (13,624)</u>	<u>\$ 35,932</u>	<u>\$ 29,589</u>	<u>\$ (40,031)</u>	<u>\$ 15,889</u>	<u>\$ (13,727)</u>	<u>\$ (35,679)</u>	<u>\$ (9,253)</u>
Number of New Portfolio Company Investments	0	1	1	2	0	6	2	2
Number of Portfolio Company Exits	1	1	1	2	2	4	2	2
Total Portfolio Companies	<u>51</u>	<u>51</u>	<u>51</u>	<u>51</u>	<u>49</u>	<u>51</u>	<u>51</u>	<u>51</u>

Gladstone Capital Portfolio Trends

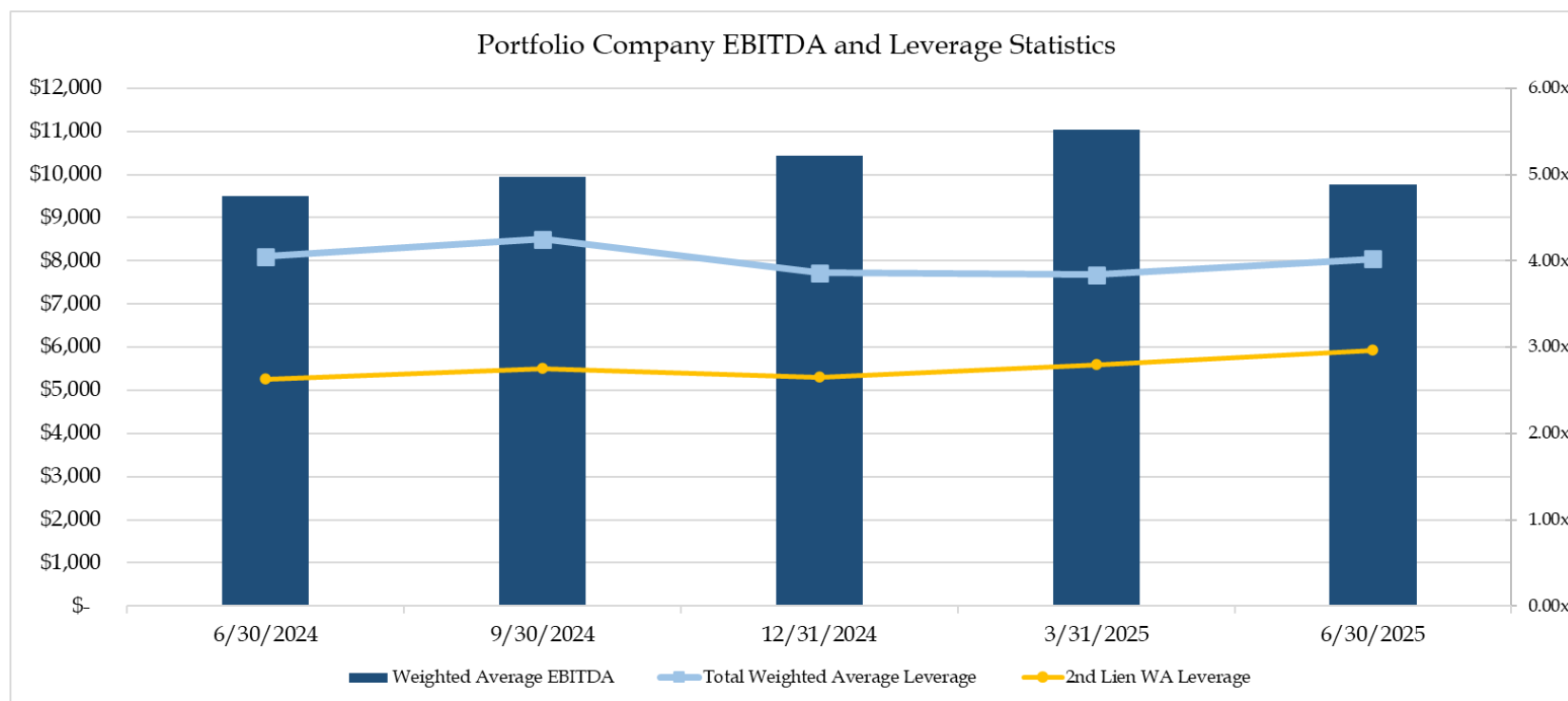
- Despite overall market volatility, we are seeing a healthy flow of attractive LMM platform investment opportunities. Having successfully absorbed significant refinancings of larger and mature credits, the current remaining new deal pipeline gives us confidence in a resurgence of our portfolio growth and maintenance of our portfolio diversity.
- 1st lien investments decreased to 70% of the portfolio driven by recent debt position repayments.
- Approximately 90.1% of our loan portfolio is subject to floating rates with minimum SOFR floors.
- We continue to make minority equity co-investments in approximately half of our new originations to selectively capitalize on the most attractive buyout opportunities.
- The current portfolio valuation of \$751.3 million represents ~97% of cost as of 6/30/2025.



	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25
First Lien Debt	71.2%	71.6%	69.7%	73.4%	71.0%	70.4%
Second Lien Debt	17.8%	15.5%	14.3%	15.9%	19.0%	19.2%
Equity / Other	11.0%	12.9%	16.0%	10.7%	10.0%	10.4%

Portfolio Metrics

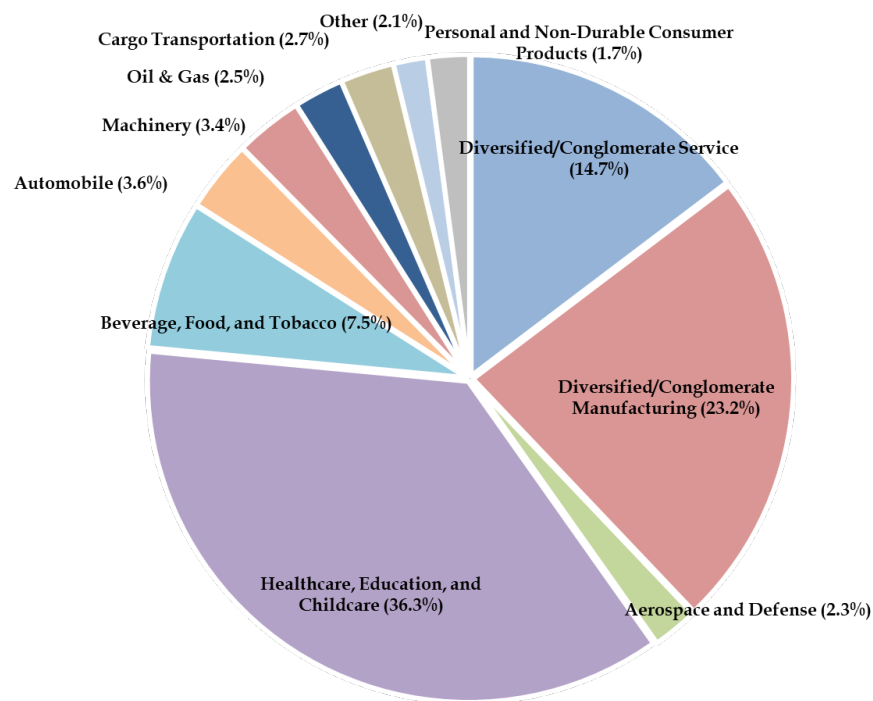
Consistent with GLAD's LMM focus, the core loan portfolio continues to represent companies with an average EBITDA of approx. \$9.8 million and an average leverage attachment point of 4.00x EBITDA



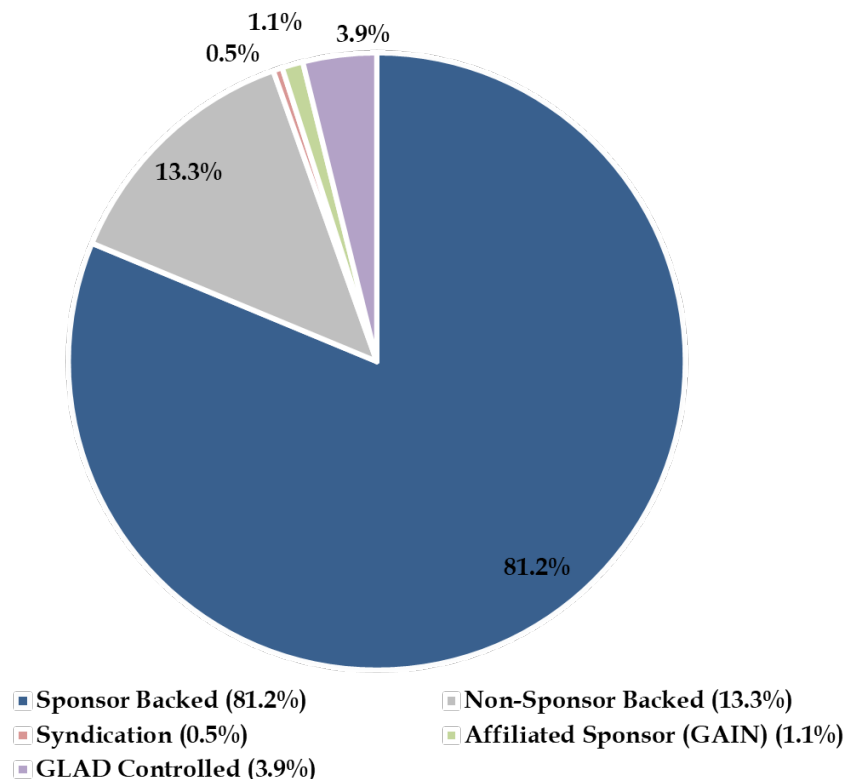
**For the purposes of this presentation, certain investments have been excluded from the data used to develop the above analysis. Those exclusions include investments: (i) originated as Syndications; (ii) co-investments with GAIN; (iii) residual investments under \$5 million; (iv) equity only investments; (v) investments with TTM EBITDA greater than \$25 million; and (vi) two investments with a de minimis TTM EBITDA relative to total debt skewing weighted average leverage. Additionally, investment EBITDA and Leverage are weighted based on the size of the principal outstanding.*

Industry and Deal Sources Are Diversified

Portfolio Diversification Across 14 Industries - At 6/30/2025 Fair Value



Deal Source Composition - At 6/30/2025 Fair Value



Portfolio Composition

<i>Portfolio Characteristics As Of:</i>	September 30, 2024		December 31, 2024		March 31, 2025		June 30, 2025	
Total Portfolio - FV	\$	796,260	\$	799,497	\$	762,636	\$	751,260
# of Portfolio Companies		49		51		51		51
Average Investment Size - FV	\$	16,250	\$	15,676	\$	14,954	\$	14,731
Top 5 Investments % FV		29.2%		23.8%		24.5%		25.3%
WAVG Investment Yield**		14.0%		13.1%		12.6%		12.8%
1st Lien FV	\$	554,937	\$	586,409	\$	541,524	\$	529,149
2nd Lien FV		113,716		127,234		144,970		144,299
Equity / Other FV		127,607		85,854		76,142		77,812
Proprietary % of FV		99.6%		99.6%		99.5%		99.5%
Syndicated % of FV		0.4%		0.4%		0.5%		0.5%
Fixed Rate Debt % Cost		6.1%		8.9%		9.2%		9.9%
Variable Rate Debt % of Cost		93.9%		91.1%		90.8%		90.1%
Performing % FV (Debt)		98.1%		96.0%		95.7%		98.3%
Non-Performing % FV (Debt)		1.9%		4.0%		4.3%		1.7%

***Weighted average yield on interest bearing debt investments (excludes non-accruals and reserves on interest receivables)*

Note: \$'s are in (000's)

Representative Portfolio Investments



WINGS 'N MORE RESTAURANTS LLC. is a proud Texas tradition and restaurant chain that offers a diverse, value-oriented menu centered around the "buffalo style" chicken wing.



AXIOS INDUSTRIAL GROUP is a provider of scaffolding, insulation, coatings, surface preparation and specialty solutions for a broad range of industrial customers in support of turnaround, maintenance and capital projects.



TORRENT PHOTONICS HOLDCO LLC provides an integrated suite of technologies to serve the security and defense, medical, industrial, semiconductor, commercial, and science and technology markets.



PAN-AM DENTAL LABORATORY is a full-service manufacturer and distributor of high-quality custom dental products.



ENGINEERING MANUFACTURING TECHNOLOGIES, LLC is a precision manufacturer of close tolerance metal components used in defense, industrial, and other end markets and applications.



ENCORE DREDGING PARTNERS, LLC is a premier mid-sized cutter suction and mechanical dredging services provider focusing on navigable waterways throughout the U.S.



FIX-IT GROUP LLC is a provider of residential maintenance, repair, and replacement services.



HH-INSPIRE ACQUISITION, INC. is a plastic surgery and aesthetic center offering a comprehensive range of cosmetic surgeries and aesthetics treatments



ITEN DEFENSE, LLC is a leading provider of advanced composites and armor solutions used in personal protective equipment, aircraft, tactical vehicles, and maritime vessels.



KARMAN MISSILE & SPACE SYSTEMS is a premier manufacturer of flight-critical and high temperature assemblies and components for space and defense end-markets with significant content on the industry's most coveted platforms.



QUALITY ENVIRONMENTAL SERVICES, INC. is a leading provider of environmental remediation services to private, state, and federal customers in the greater Midwest region.



FREEDOM DENTAL HEALTH is Dental Support Organization offering a wide range of services, including general and pediatric dentistry, orthodontics and periodontal surgery.



CAFÉ ZUPAS is a healthy fast casual restaurant brand that serves house-made soups, salads and sandwiches from over 200 fresh ingredients.



WORKFORCEQA LLC is a leading tech-enabled Third-Party Administrator ("TPA") of employee compliance solutions focused on regulated and safety-sensitive industries.



Quarterly Financial Summary

	Three Months Ended				
	June 30, 2024	September 30, 2024	December 31, 2024	March 31, 2025	June 30, 2025
<i>In Thousands, except per share data</i>					
Income:					
Interest Income	\$ 23,199	\$ 23,384	\$ 21,320	\$ 21,338	\$ 20,853
Other Investment Income	2,490	330	640	231	804
Total Investment Income	25,689	23,714	21,960	21,569	21,657
Expenses:					
Fees to Advisor & Admin	6,412	6,174	4,385	4,164	4,625
Interest Expense	5,509	5,442	4,743	5,019	4,451
Operating Expense	1,375	1,143	1,608	1,141	1,287
Total Expenses	13,296	12,759	10,736	10,324	10,363
Net Investment Income (NII)	\$ 12,393	\$ 10,955	\$ 11,224	\$ 11,245	\$ 11,294
Weighted Average Shares*	21,754	21,860	22,312	22,330	22,330
NII Per WAVG Share	\$ 0.570	\$ 0.493	\$ 0.503	\$ 0.504	\$ 0.506
Realized/Unrealized Gains (Loss) per Share	\$ 0.310	\$ 0.944	\$ 0.714	\$ (0.101)	\$ (0.161)
Dividend Per WAVG Share	\$ 0.570	\$ 0.500	\$ 0.900	\$ 0.495	\$ 0.495
NAV Per Share	\$ 20.18	\$ 21.18	\$ 21.51	\$ 21.41	\$ 21.25
LTM Return on Equity (NII)**	10.9%	10.5%	10.0%	9.8%	9.4%
Portfolio at Fair Value	757,745	796,260	799,497	762,636	751,260
Debt***	319,674	324,610	315,761	279,678	282,252
Net Asset Value	439,078	470,895	480,316	478,059	474,454
Debt-to-Equity	75.3%	70.9%	67.7%	60.0%	61.4%

*Total Shares outstanding total at 6/30/25 was 22,329,852

**Return on Equity (NII) defined as: LTM net investment income divided by LTM average net assets

***Debt includes Line of Credit and Long Term Debt

Note: The financial information above is not comprehensive and is without notes, so readers should obtain and carefully review GLAD's Forms 10-K and 10-Q for the corresponding reporting periods as filed with the SEC.

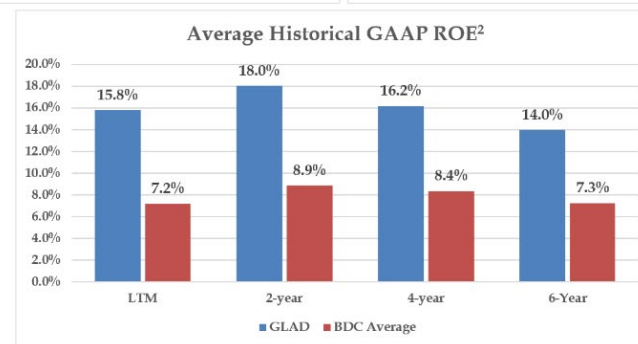
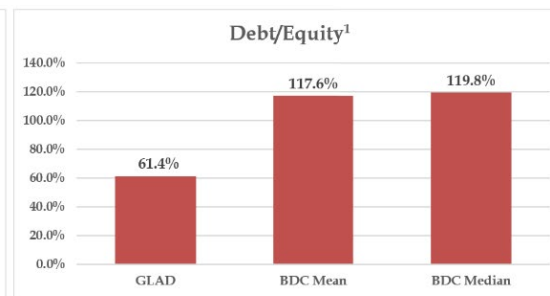
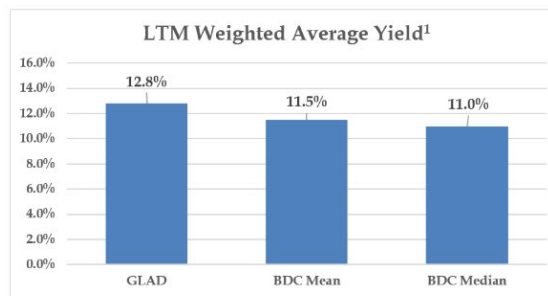
Gladstone Capital 6/30/2025 Quarter Summary

Capital Base and Liquidity

- Total Assets increased to \$780 million as of June 30, 2025, consisting of ~\$751 million in investments at fair value and ~\$29 million in cash and other assets.
- We ended the quarter with a conservative leverage position of 61.4% of NAV, which is well below the BDC industry average of 117.6%.
- Liabilities increased slightly to \$291 million as of June 30, 2025, and consisted primarily of \$254 million of Senior Notes including the \$57 million 7.75% “GLADZ” baby bond due September 2028, and advances under our \$320 million line of credit increased to \$27.5 million.

ROE Performance

- Between higher rates and the performance of the portfolio, GLAD achieved an ROE of ~15.8% for the twelve months ended June 2025.
- With ample availability under our bank credit facility, GLAD is well positioned to grow our earning assets and fee income to continue to support our shareholder distributions in the coming year.
- Monthly distributions to our common stockholders of \$0.165 per common share was announced for the months of July, August and September which is an annual run rate of \$1.98 per share.



(1) BDC Mean/Median Source: Raymond James BDC Industry Weekly Newsletters (07/31/2025)

(2) BDC Averages Source: Oppenheimer & Co. Financial Institutions/Business Development Companies Equity Research Industry Update (6/02/2025)

Corporate Data

Executive Officers

David Gladstone
Chairman & CEO

Bob Marcotte
President

Nicole Schaltenbrand
CFO & Treasurer

Other Officers

Michael LiCalsi
Chief Administrative Officer, Co-General
Counsel, & Co-Secretary

Erich Hellmold
Co-General Counsel & Co-Secretary

Jack Dellafiora
Chief Compliance Officer

Catherine Gerkis
Director of Investor Relations & ESG

Nasdaq Listings

Common Stock Ticker: GLAD
7.75% Notes Ticker: GLADZ

Websites

Gladstone Capital:
www.gladstonecapital.com

Investment Adviser:
www.gladstonemanagement.com

Information on all Funds:
www.gladstonecompanies.com

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Ladenburg Thalmann
Christopher Nolan

Lucid Capital Markets
Erick Zwick

Oppenheimer & Co.
Mitchel Penn

Raymond James
Robert Dodd

Other

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Kirkland & Ellis LLP

Transfer Agent:
Computershare Inc.

Auditors:
PricewaterhouseCoopers LLP