

Gladstone Capital Leads \$55 Million Financing to Support Café Zupas' Continued Growth

MCLEAN, VA / ACCESSWIRE / December 14, 2023 /Gladstone Capital Corporation (NASDAQ:GLAD) ("Gladstone Capital") announced that it is acting as Administrative Agent and Lead Arranger on a \$55 million senior secured credit facility for existing borrower Café Zupas, a portfolio company of KarpReilly, LLC. The financing provides incremental committed capital to support management's new store development initiatives. Lafayette Square and certain of its affiliated entities are co-lenders.

Headquartered in Salt Lake City, Utah, Café Zupas is a healthy fast casual restaurant brand with 73 company-owned stores across eight states in the Western and Midwestern United States. The business is a next-generation kitchen that serves simple house-made soups, salads and sandwiches from over 200 fresh ingredients with the mission to "Nourish the Good Life" of its everyday healthy guests.

"We are very excited to expand our relationship with Gladstone Capital, which has been a trusted partner and helped facilitate our Company's continued growth. Gladstone Capital has been incredibly responsive and a pleasure to work with. Likewise, we are delighted to add Lafayette Square as another fantastic financial partner. Lafayette Square's investment strategies closely align with Cafe Zupas' approach to building a holistic growth opportunity for all that are involved. We look forward to a strong relationship and continual success", said Paul Killpack, CFO Cafe Zupas.

"We are delighted that our partners at Café Zupas and KarpReilly entrusted us with crafting a homemade solution in support of management's continuing growth plans," said Ray Logan, Director of Gladstone Capital. "As an active and experienced credit investor in the restaurant, food and beverage sectors, we are pleased to deliver yet another timely and custom financing for a leading and growing concept in the restaurant space."

"We are excited to finance the growth and expansion of Café Zupas," said Ryan Ochs, Managing Director, Head of Underwriting and Origination at Lafayette Square. "Café Zupas is testament to the fact that stellar operating results and high ethos are not mutually exclusive. We believe this investment will bring new jobs and high-quality food to local communities, aligning well with our mission to support small businesses across the United States."

About Café Zupas: Beginning in 2004 in Provo, Utah, Café Zupas was created to provide a genuinely fresh and healthy alternative to the fast casual space. With over 200 premium ingredients delivered into each store daily, every meal at Café Zupas is made fresh but served fast. And to top it all off, every meal at Café Zupas is served with a free chocolate-dipped strawberry, dipped fresh daily in the restaurants. This recipe for success has allowed Café Zupas to grow into eight states, and open nearly 75 locations. With big plans for growth

in the coming years, Café Zupas remains committed to providing endless opportunities to its nearly 3,000 team members who make it all possible.

About KarpReilly: KarpReilly, LLC is a private investment firm, founded by Allan Karp and Chris Reilly, whose primary mission is to partner with premier small to mid-size growth companies and help them achieve their long-term vision. KarpReilly principals have invested over \$2 billion across over 130 companies in the consumer space, including branded consumer products, ecommerce, retail and restaurants. For more information, please visit www.karpreilly.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.GladstoneCapital.com or www.GladstoneCompanies.com.

About Lafayette Square: Lafayette Square invests in middle market companies while positively supporting people and communities. Lafayette Square believes the demand for capital in businesses headquartered outside of high-income places is an overlooked opportunity. Lafayette Square seeks investment opportunities that stimulate economic growth across the United States through the creation and preservation of working-class jobs. For more information about Lafayette Square, please visit www.lafayettesquare.com.

The statements in this press release regarding the longer-term prospects of Gladstone Capital, Café Zupas, KarpReilly, Lafayette Square, and their management teams, and the ability of Gladstone Capital, Café Zupas, KarpReilly, Lafayette Square to grow and expand 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 Capital's, Café Zupas', KarpReilly's, Lafayette Square's 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 Gladstone Capital's filings with the Securities and Exchange Commission. Gladstone Capital 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.

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

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