

September 26, 2016

Gladstone Investment Corporation Announces Closing of Offering of 2,300,000 Shares of its 6.25% Series D Cumulative Term Preferred Stock for Gross Proceeds of Approximately \$57.5 million

MCLEAN, Va., Sept. 26, 2016 (GLOBE NEWSWIRE) -- Gladstone Investment Corporation (NASDAQ:GAIN) (the "Company") today announced that it closed its previously announced offering of 2,000,000 shares of its newly-designated 6.25% Series D Cumulative Term Preferred Stock due 2023 (the "Series D Term Preferred Shares") at a public offering price of \$25.00 per share. Simultaneously with the closing of the offering, the underwriters exercised in full their option to purchase an additional 300,000 Series D Term Preferred Shares on the same terms to cover over-allotments, resulting in a total issuance of 2,300,000 shares for gross proceeds of approximately \$57.5 million and net proceeds of approximately \$55.5 million, after payment of underwriting discounts and commissions and estimated offering expenses.

The Series D Term Preferred Shares are expected to begin trading on the NASDAQ Global Select Market on or about September 27, 2016 under the symbol "GAINM." The Series D Term Preferred Shares are mandatorily redeemable on September 30, 2023 at \$25.00 per share. Janney Montgomery Scott LLC and Ladenburg Thalmann & Co. Inc., a subsidiary of Ladenburg Thalmann Financial Services Inc. (NYSE MKT:LTS), served as joint book-running managers for the offering. J.J.B. Hilliard, W.L. Lyons, LLC and Wunderlich Securities, Inc. served as co-lead managers of the offering. William Blair & Company, L.L.C. and Maxim Group LLC served as co-managers of the offering.

The Company intends to use the net proceeds to redeem all outstanding shares of its 7.125% Series A Cumulative Term Preferred Stock, to pay down debt under its revolving line of credit and for other general corporate purposes. This offering was made pursuant to the Company's existing shelf registration statement, previously filed with the Securities and Exchange Commission. The final prospectus supplement related to the offering dated September 19, 2016 and the accompanying prospectus are available on the SEC website at www.sec.gov or by contacting Janney Montgomery Scott LLC, 1717 Arch Street, Philadelphia, PA 19103, Attention: Taxable Fixed Income Department or prospectus@janney.com.

This communication shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

About Gladstone Investment Corporation: Gladstone Investment Corporation is a publicly traded business development company that seeks to make debt and equity investments in small and medium-sized businesses in the United States in connection with acquisitions, changes in control and recapitalizations. The Company has paid 134 consecutive monthly cash distributions on its common stock.

CONTACT: Investor Relations Inquiries: Please call +1-703-287-5893

Source: Gladstone Investment Corporation

News Provided by Acquire Media