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NASDAQ:NEWT

Newtek Business Services Corp. Forecasts Full Year 2021 Net Investment Income of \$0.80 per Share and Adjusted Net Investment Income of \$3.40 per Share

September 29, 2021

Forecasts First Quarter 2022 Dividend of \$0.65 per Share

Reaffirms Annual 2021 Dividend Forecast of \$3.15 per Share

BOCA RATON, Fla., Sept. 29, 2021 (GLOBE NEWSWIRE) -- [Newtek Business Services Corp.](#) (the "Company"), (Nasdaq: NEWT), an internally managed business development company ("BDC"), today provided forecasts for its net investment income ("NII") and adjusted net investment income ("ANII") for the full year 2021, as well as for its first quarter 2022 dividend. The Company forecasts full year 2021 NII of \$0.80 per share and ANII of \$3.40¹ per share for 2021. In addition, the Company forecasts a first quarter 2022 dividend of \$0.65² per share. The Company also reaffirmed its annual 2021 dividend forecast of \$3.15 per share, which would indicate a dividend forecast of \$1.05 per share in the fourth quarter of 2021. The Company expects to pay its dividends out of taxable income as it has done historically.

The following tables provide historical and forecasted data for dividends.

Historical and Forecasted Quarterly Dividends				
(per share)	Q1'19	Q1'20	Q1'21	Q1'22 Forecast
Dividends	\$0.40	\$0.44	\$0.50	\$0.65

Historical and Forecasted Annual Dividends			
(per share)	2019	2020	2021 Forecast
Dividends	\$2.15	\$2.05	\$3.15

Barry Sloane, Chairman, President and Chief Executive Officer said, "We are incredibly appreciative of the path the Company has taken, especially in light of unprecedented times. We are extremely positive about our current pipeline of opportunities and consequently our potential strategic growth trajectory as we have refocused our resources and efforts on our core business solutions in a post-pandemic environment. With that in mind, we feel it is appropriate to provide forward-looking insight, and are proud to be forecasting full year 2021 NII of \$0.80 per share and record ANII of \$3.40 per share. Furthermore, we are forecasting a first quarter 2022 dividend of \$0.65 per share, which would represent a 62.5% increase over a three-year period from the first quarter 2019 dividend of \$0.40 per share. Of note, the Company paid dividends of \$0.40 per share, \$0.44 per share and \$0.50 per share in the first quarters of 2019, 2020, and 2021, respectively. We believe these forecasted metrics should be reviewed using 2019 as the basis for comparison, as 2019 was pre-pandemic and did not include pandemic effects of repurposing our resources to focus on originating and earning revenue from PPP loans."

Mr. Sloane further commented, "We are confident we can continue to generate strong financial performance in calendar year 2022, with refocused and renewed effort in our more traditional lending and business solutions products. We are proud that we have been able to grow our pipeline of opportunities, as well as make technological advances in our processes, and forecast attractive market conditions. We believe our first quarter 2022 dividend and 2021 NII and ANII forecasts of double-digit annual growth over the comparable 2019 periods demonstrate the continued belief of management that it can grow our core business and return to normal business activity in a post-pandemic world. We also note, that historically our performance in the second half of the year has been seasonally stronger than the first half of the year. We look forward to continuing our primary focus on our core business objectives and, in addition, will work hard to position the Company in what we believe is the best long-term financial structure for our investor base."

¹Use of Non-GAAP Financial Measures - Newtek Business Services Corp. and Subsidiaries

In evaluating its business, Newtek considers and uses ANII as a measure of its operating performance. ANII includes short-term capital gains from the sale of the guaranteed portions of SBA 7(a) loans and conventional loans, and beginning in 2016, capital gain distributions from controlled portfolio companies, which are reoccurring events. The Company defines ANII as Net investment income (loss) plus Net realized gains recognized from the sale of guaranteed portions of SBA 7(a) loan investments, less realized losses on non-affiliate investments, plus or minus loss on lease adjustment, plus the net realized gains on controlled investments, plus or minus the change in fair value of contingent consideration liabilities, plus loss on extinguishment of debt.

The term ANII is not defined under U.S. generally accepted accounting principles, or U.S. GAAP, and is not a measure of operating income, operating performance or liquidity presented in accordance with U.S. GAAP. ANII has limitations as an analytical tool and, when assessing the Company's operating performance, investors should not consider ANII in isolation, or as a substitute for net investment income, or other consolidated income statement data prepared in accordance with U.S. GAAP. Among other things, ANII does not reflect the Company's actual cash expenditures. Other companies may calculate similar measures differently than Newtek, limiting their usefulness as comparative tools. The Company compensates for these limitations by relying primarily on its GAAP results supplemented by ANII.

2 Note Regarding Dividend Payments

Amount and timing of dividends, if any, remain subject to the discretion of the Company's Board of Directors. The Company's Board of Directors expects to maintain a dividend policy with the objective of making quarterly distributions in an amount that approximates 90 - 100% of the Company's annual taxable income. The determination of the tax attributes of the Company's distributions is made annually as of the end of the Company's fiscal year based upon its taxable income for the full year and distributions paid for the full year.

About Newtek Business Services Corp.

[Newtek Business Services Corp.](#), Your Business Solutions Company[®], is an internally managed BDC, which along with its controlled portfolio companies, provides a wide range of business and financial solutions under the Newtek[®] brand to the small- and medium-sized business ("SMB") market. Since 1999, Newtek has provided state-of-the-art, cost-efficient products and services and efficient business strategies to SMB relationships across all 50 states to help them grow their sales, control their expenses and reduce their risk.

Newtek's and its portfolio companies' products and services include: [Business Lending](#), [SBA Lending Solutions](#), [Electronic Payment Processing](#), [Technology Solutions \(Cloud Computing, Data Backup, Storage and Retrieval, IT Consulting\)](#), [eCommerce](#), [Accounts Receivable Financing & Inventory Financing](#), [Insurance Solutions](#), [Web Services](#), and [Payroll and Benefits Solutions](#).

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Note Regarding Forward Looking Statements

This press release contains certain forward-looking statements. Words such as "believes," "intends," "expects," "projects," "anticipates," "forecasts," "goal" and "future" or similar expressions are intended to identify forward-looking statements. All forward-looking statements involve a number of risks and uncertainties that could cause actual results to differ materially from the plans, intentions and expectations reflected in or suggested by the forward-looking statements. Such risks and uncertainties include, among others, intensified competition, operating problems and their impact on revenues and profit margins, anticipated future business strategies and financial performance, anticipated future number of customers, business prospects, legislative developments and similar matters. Risk factors, cautionary statements and other conditions, which could cause Newtek's actual results to differ from management's current expectations, are contained in Newtek's filings with the Securities and Exchange Commission and available through <http://www.sec.gov/>. Newtek cautions you that forward-looking statements are not guarantees of future performance and that actual results or developments may differ materially from those projected or implied in these statements.

SOURCE: Newtek Business Services Corp.

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NEWTEK BUSINESS SERVICES CORP. AND SUBSIDIARIES NON-GAAP FINANCIAL MEASURES- 2021 FORECASTED ADJUSTED NET INVESTMENT INCOME RECONCILIATION:

<i>(in thousands, except per share amounts)</i>	Year ended		Year ended		Year ended	
	December 31, 2021	Per share	December 31, 2020	Per share	December 31, 2019	Per share
Net investment income (loss)	\$18,162	\$0.80	\$31,985	\$1.51	(\$5,619)	(\$0.29)
Net realized gain on non-affiliate investments - SBA 7(a) loans	57,664	2.55	11,368	0.54	47,816	2.47
Net realized gain on non-affiliate investments - conventional loans	-	0.00	-	0.00	-	0.00
Net realized gain on controlled investments	-	0.00	-	0.00	2,585	0.13
Loss on lease	-	0.00	-	0.00	(105)	0.00
Change in fair value of contingent consideration liabilities	-	0.00	54	0.00	42	0.00
Loss on debt extinguishment	955	0.00	-	0.00	251	0.01
Adjusted Net investment income	<u>\$76,781</u>	<u>\$3.40</u>	<u>\$43,407</u>	<u>\$2.05</u>	<u>\$44,970</u>	<u>\$2.33</u>



Source: Newtek Business Services Corp.