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NASDAQ:NEWT

Newtek Business Services Corp. Forecasts Fourth Quarter 2022 Distribution of \$0.70 per Share

September 28, 2022

BOCA RATON, Fla., Sept. 28, 2022 (GLOBE NEWSWIRE) -- [Newtek Business Services Corp.](#), (NASDAQ: NEWT), an internally managed business development company ("BDC"), announced today it is forecasting a fourth quarter 2022 cash distribution of \$0.70 per share.¹ In anticipation of the Company converting from a BDC and discontinuing its election to be regulated under the Investment Company Act of 1940 ("1940 Act"), subject to regulatory approvals of its pending acquisition of National Bank of New York City ("NBNYC") and other conditions described in the Company's proxy statement filed with the SEC on May 2, 2022, after which the Company will no longer qualify as a regulated investment company ("RIC") for federal income tax purposes and will no longer qualify for accounting treatment as an investment company, the Company anticipates distributing 90 – 100% of its 2022 taxable income, in addition to a spillover dividend of its retained earnings, which we expect to be paid out as a fourth quarter 2022 distribution in December 2022.

Barry Sloane, CEO, President and Chairman commented, "We are very pleased to provide a forecast of our fourth quarter 2022 cash distribution to shareholders. If declared by the Board, the Company expects to pay approximately \$2.75 per share in cash dividends and distributions to shareholders in 2022 and, as such, to have achieved its goal of providing attractive cash-on-cash returns to its shareholders. This cash distribution would bring the total dividends and distributions paid in 2022 in line with the Company's previously forecasted guidance of \$2.40 per share to \$2.90 per share. While the total 2022 distribution may include a return of capital, the determination of the tax attributes of the Company's 2022 distributions will not be made until the end of the Company's fiscal year based upon its taxable income for the full year and distributions paid for the full year. We are excited as we anticipate exiting the BDC space, subject to regulatory approvals to acquire NBNYC, and become a bank holding company. We take pride that throughout our 8 years of operating as a BDC, we have lived up to our commitment of performing as a high-yielding growth-oriented BDC."

Mr. Sloane continued, "Importantly, we have made great strides in preparing for the ownership of NBNYC and expect to forecast 2023 and 2024 earnings and performance metrics following receipt of regulatory approvals of our acquisition of NBNYC. We believe these forecasts will provide an opportunity for investors to evaluate Newtek going forward."

Mr. Sloane concluded, "Some of the important items we look forward to as part of our conversion to a bank holding company are the anticipated transition of the Company to being covered by bank analysts from BDC analysts, the potential opportunity to be considered for inclusion in the Russell 2000, an increase in our universe of potential investors who may have been precluded from investing in a BDC due to our status as a 1940 Act company, Newtek's belief that it can generate higher total returns on equity as a bank holding company than as a BDC, and potentially unlocking further shareholder value through technology joint ventures and the implementation of the Newtek Advantage™ business portal for our clients. That said, we could not be more excited about our future despite tough capital markets. Like an iceberg with its core and strength beneath the surface, Newtek believes that it has developed a tremendous foundation, which may not yet be seen, but still exists; that is the core of excitement which we believe will be unlocked for all to see under this new structure."

¹Note regarding Dividend Payments: Amount and timing of fourth quarter dividend or distribution, if any, remains subject to the discretion of the Company's Board of Directors.

[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, include our ability to close the pending acquisition of the National Bank of New York City (the "Transaction"), obtain required regulatory approvals for the pending Transaction, the timing of the closing of the Transaction, the timing of the Company's discontinuance from regulation as a BDC under the 1940 Act, projections concerning or considering the pending Transaction, the timing of our ability to originate new investments, achieve certain margins and levels of profitability, the availability of additional capital and the ability to maintain certain debt to asset ratios, 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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