



CAPITAL SOUTHWEST

Capital Southwest Supports Refinancing of Blaschak Coal Corp.

August 13, 2018

DALLAS, Aug. 13, 2018 (GLOBE NEWSWIRE) -- Capital Southwest Corporation ("Capital Southwest") (Nasdaq:CSWC), an internally managed business development company focused on providing flexible financing solutions to support the acquisition and growth of middle market businesses, announced today that it supported Milestone Partners III, L.P.'s ("Milestone") recent financing of Blaschak Coal Corp. ("Blaschak"), a leading domestic miner, preparer and marketer of Pennsylvania anthracite coal. Capital Southwest invested an \$8.5 million split lien term loan to refinance existing senior debt and provide growth capital and is the sole administrative agent and lender on the split lien facility.

"We are pleased to partner with Blaschak and Milestone in this transaction," said Douglas Kelley, Managing Director of Capital Southwest. "Anthracite is a high grade of coal with energy content and purity characteristics that allow it to sell into unique end markets relative to the broader coal industry, with a majority of the Company's revenue derived in the rural residential heating market in the Northern U.S. and Canada." Matt Darrah, Principal of Capital Southwest said, "Blaschak's strong market position, the long-term stability of the company's end markets and the Company's significant asset base, allowed us to offer a creative financing solution that provides increased operating flexibility to the company in a debt facility with collateral coverage for Capital Southwest."

Blaschak is a domestic miner, packager, and distributor of anthracite coal used primarily in home heating and other niche applications. Blaschak is a market leader and one of the few fully integrated U.S. anthracite companies with a large reserve base, multiple mines and preparation plants, a bagging plant, both rail and truck loading facilities, and extensive marketing operations serving a wide range of end markets, including home heating, steel and water filtration. The Company's high quality anthracite coal is used in applications that require high-purity, high-heat, smokeless burn and is sold under its Saint Nicholas brand. Blaschak distributes through a diverse dealer and distribution network across the United States and Canada.

About Capital Southwest

Capital Southwest Corporation (Nasdaq: CSWC) is a Dallas, Texas-based, internally managed business development company with approximately \$307 million in net assets as of June 30, 2018. Capital Southwest is a middle market lending firm focused on supporting the acquisition and growth of middle market businesses with \$5 to \$25 million investments across the capital structure, including first lien, unitranche, second lien, subordinated debt and non-control equity co-investments. As a public company with a permanent capital base, Capital Southwest has the flexibility to be creative in its financing solutions and to invest to support the growth of its portfolio companies over long periods of time.

About Milestone Partners

Milestone Partners (www.milestonepartners.com) is a private equity firm that partners with management to invest in leveraged buyouts and recapitalizations of lower middle market businesses. Milestone pursues companies in tech-enabled solutions, financial services and tech-driven manufacturing sectors. Based in suburban Philadelphia, Milestone Partners has closed a total of over 100 acquisitions, add-ons and sale transactions since 1995, while managing \$660 million of committed equity capital.

Forward-Looking Statements

This press release contains historical information and forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 with respect to future dividends, market conditions, and the business and investments of Capital Southwest. Forward-looking statements are statements that are not historical statements and can often be identified by words such as "will," "believe," "expect" and similar expressions and variations or negatives of these words. These statements are based on management's current expectations, assumptions and beliefs. They are not guarantees of future results and are subject to numerous risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statement. These risks include risks related to changes in the markets in which Capital Southwest invests, changes in the financial and lending markets, regulatory changes, tax treatment and general economic and business conditions.

Readers should not place undue reliance on any forward-looking statements and are encouraged to review Capital Southwest's Annual Report on Form 10-K for the year ended March 31, 2018 and subsequent filings with the Securities and Exchange Commission for a more complete discussion of the risks and other factors that could affect any forward-looking statements. Except as required by the federal securities laws, Capital Southwest does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changing circumstances or any other reason after the date of this press release.

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Source: Capital Southwest Corporation