



CAPITAL SOUTHWEST

Capital Southwest Supports Five Points Recapitalization of GrammaTech

November 11, 2019

DALLAS, Nov. 11, 2019 (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 the recent recapitalization of GrammaTech, Inc. ("GrammaTech") by Five Points Capital, Pleasant Bay Capital, Crescendo Capital, new CEO Mike Dager, and existing management. Capital Southwest provided a revolving line of credit, a first lien term loan, and made an equity co-investment. Capital Southwest will act as the sole investor and administrative agent for the credit facility.

"GrammaTech is on the front line in developing technology to help protect devices and software from failure and cyber attacks," said Douglas Kelley, Managing Director of Capital Southwest. "We look forward to working with our new partners to help grow the company under Mike Dager's leadership." Grant Eason, Vice President of Capital Southwest, said "GrammaTech has generated cutting edge research in source and binary code scanning for over 30 years, and will continue to be an important partner to its commercial and government sponsor clients to solve increasingly complex software challenges."

Founded in 1988 and headquartered in Ithaca, New York, GrammaTech is a leading provider of cybersecurity solutions for government and commercial clients. The company's software enables users to quickly scan code for vulnerabilities that cause breaches, system failures or poor reliability. GrammaTech's expertise in application security testing has been built through decades of cutting-edge research for the national security community and other US government agencies.

About Capital Southwest

Capital Southwest Corporation (Nasdaq:CSWC) is a Dallas, Texas-based, internally managed business development company, with approximately \$328 million in net assets as of September 30, 2019. Capital Southwest is a middle market lending firm focused on supporting the acquisition and growth of middle market businesses with \$5 million 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.

Forward-Looking Statements

This press release contains historical information and forward-looking statements with respect to 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, 2019 and subsequent filings, including the "Risk Factors" sections therein, 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