



CAPITAL SOUTHWEST

Capital Southwest Supports New Harbor Capital's Majority Growth Equity Investment in FoodPharma

June 9, 2021

DALLAS, June 09, 2021 (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 recently supported New Harbor Capital ("NHC") in its majority growth equity investment in Food Technology and Design, LLC dba FoodPharma LLC ("FoodPharma" or the "Company") with a revolving credit facility, first lien term loan, delayed draw term loan and a minority equity co-investment. Capital Southwest led the financing and will act as the sole administrative agent.

"We are excited to partner with NHC on its investment in FoodPharma," said Josh Weinstein, Senior Managing Director of Capital Southwest. "The Company has a demonstrated track record of being a value-added manufacturer of functional foods." Grant Eason, Senior Vice President of Capital Southwest, said "FoodPharma delivers sophisticated development capabilities to its clients allowing them to develop products in the evolving functional food category."

Founded in 2000 and headquartered in Santa Fe Springs, California, FoodPharma leverages a large portfolio of over 500 proprietary formulas and recipes, as well as in-house research, development, and formulation capabilities, to deliver innovative, functional food products to its customers. The Company has a market-leading position in the soft chew category, specifically in bariatric and weight-loss nutrition. FoodPharma serves a wide variety of customers and channels, including leading CPG, private label, and specialty brands. The Company currently employs over 90 individuals in two California facilities located in Santa Fe Springs and Long Beach.

About Capital Southwest

Capital Southwest Corporation (Nasdaq: CSWC) is a Dallas, Texas-based, internally managed business development company with approximately \$336 million in net assets as of March 31, 2021. 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.

About New Harbor Capital

New Harbor Capital is an experienced, lower middle-market private equity firm that seeks to partner with growth-minded, founder-owned companies. NHC seeks to partner with business owners in industries tied to their expertise and focus in education, healthcare and technology-enabled services. NHC targets investments of \$10-\$40+ million, and encourages meaningful seller, management, and co-investor participation. New Harbor Capital was founded on the idea that focus, planning, collaboration and experience can produce long-term, sustainable, and superior results.

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, capital, and lending markets; regulatory changes; tax treatment and general economic and business conditions; our ability to operate our wholly owned subsidiary, SBIC I, as an SBIC; and uncertainties associated with the impact from the COVID-19 pandemic, including its impact on the global and U.S. capital markets and the global and U.S. economy, the length and duration of the COVID-19 outbreak in the United States as well as worldwide and the magnitude of the economic impact of that outbreak; the effect of the COVID-19 pandemic on our business prospects and the operational and financial performance of our portfolio companies, including our ability and their ability to achieve their respective objectives, and the effects of the disruptions caused by the COVID-19 pandemic on our ability to continue to effectively manage our business.

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, 2021 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