



Capital Southwest Announces Amendment to Credit Facility

August 9, 2021

DALLAS, Aug. 09, 2021 (GLOBE NEWSWIRE) -- Capital Southwest Corporation ("Capital Southwest," "CSWC" or the "Company") (Nasdaq: CSWC), an internally managed business development company focused on providing flexible financing solutions to support the acquisition and growth of middle market businesses, today announced an amendment to its senior secured credit facility (the "Credit Facility"). The amendment reduced the interest rate on borrowings to LIBOR plus 2.15% from LIBOR plus 2.50%, increased the advance rate on unquoted first lien assets to 70% from 65%, and increased the Company's allowable share repurchases by \$20 million during the availability period, among other things. The end of the Credit Facility's revolving period was extended from December 21, 2022 to August 9, 2025; and the final maturity was extended from December 21, 2023 to August 9, 2026.

In commenting on the amendment, Michael Sarner, Treasurer and Chief Financial Officer, stated, "We are appreciative of the continued support we have received from our lenders. We believe the amendment terms agreed to by our syndicate of lenders, specifically the 35 basis points spread reduction and the advance rate increase, demonstrates the confidence of our stakeholders in our investment strategy and performance to date. This amendment, coupled with our ability to fund originations with low cost SBA-guaranteed debentures issued to our wholly owned SBIC subsidiary, provides significant earnings power looking ahead."

About Capital Southwest

Capital Southwest Corporation (Nasdaq: CSWC) is a Dallas, Texas-based, internally managed business development company with approximately \$368 million in net assets as of June 30, 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.

Forward-Looking Statements

This press release contains historical information and forward-looking statements with respect to the business of Capital Southwest, including, but not limited to, the statement about Capital Southwest's future performance and financial condition. 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, Capital Southwest SBIC I, LP, 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, 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