



CAPITAL SOUTHWEST

Capital Southwest Announces New \$150 MM Secured Credit Facility

Mar 20, 2024

DALLAS, March 20, 2024 (GLOBE NEWSWIRE) -- Capital Southwest Corporation ("Capital Southwest" or "we") (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 its wholly owned subsidiary, Capital Southwest SPV LLC (the "SPV"), entered into a senior secured revolving credit facility (the "SPV Facility") with Deutsche Bank AG, New York Branch. The SPV Facility provides for \$150 million of initial commitments with (i) an increase to \$200 million of total commitments on the earlier of (a) June 20, 2024 or (b) the date requested by the Company, in its sole discretion, and (ii) an accordion feature that allows increases up to \$400 million of total commitments from new and existing lenders on the same terms and conditions as the existing commitments. Advances under the SPV Facility bear interest at three-month Term SOFR plus an applicable margin of 2.50% during the revolving period ending on March 20, 2027. The SPV's obligations to the lenders are secured by a first lien interest in all of the SPV's assets but are non-recourse to Capital Southwest. The SPV Facility matures on March 20, 2029.

Michael Sarnar, Chief Financial Officer, commented, "We are pleased to continue our long-standing relationship with Deutsche Bank through the creation of a new SPV Facility. The SPV Facility further diversifies our sources of capital and provides significant funding flexibility as we continue to grow our balance sheet. We expect to continue to grow total commitments under this Credit Facility in lockstep with our asset growth."

About Capital Southwest

Capital Southwest Corporation (Nasdaq: CSWC) is a Dallas, Texas-based, internally managed business development company with approximately \$1.4 billion in investments at fair value as of December 31, 2023. Capital Southwest is a middle market lending firm focused on supporting the acquisition and growth of middle market businesses with \$5 million to \$35 million investments across the capital structure, including first lien, second lien 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, including, but not limited to, the statements about Capital Southwest's ability to grow total commitments under the SPV and to grow Capital Southwest's assets in the future. 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; changes in the interest rate environment and its impact on Capital Southwest's business and its portfolio companies; regulatory changes; tax treatment; Capital Southwest's ability to operate its wholly owned subsidiary, Capital Southwest SBIC I, LP, as a small business investment company; an economic downturn and its impact on the ability of Capital Southwest's portfolio companies to operate and the investment opportunities available to Capital Southwest; the impact of supply chain constraints and labor shortages on Capital Southwest's portfolio companies; and the elevated levels of inflation and its impact on Capital Southwest's portfolio companies and the industries in which Capital Southwest invests.

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, 2023 and any 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