



## Capital Southwest Corporation Announces Formation and Launch of First Out Senior Loan Joint Venture

January 22, 2026

DALLAS, Jan. 22, 2026 (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 that it has formed a joint venture with another private credit asset manager. The joint venture will be an off-balance sheet private fund that will invest primarily in first out senior secured debt opportunities in the lower middle market.

The joint venture will be owned equally by Capital Southwest and its joint venture partner, with each holding a 50% equity interest. All investment and operational decisions for the fund will be made by the joint venture's board of managers, which will consist of equal representation from both joint venture partners. It is anticipated that the joint venture will enter into a senior secured credit facility, the borrowings from which will be used to fund investments.

"We believe the creation of this joint venture will enhance CSWC's ability to compete for and win high -quality lower middle market opportunities by providing more flexible capital solutions. It also will allow CSWC to allocate portions of larger transactions to the joint venture, enabling us to maintain portfolio granularity while broadening the range of platform companies we can pursue in the lower middle market. We are excited about the prospects for this new fund and believe it will allow Capital Southwest to be competitive on a broader range of investment opportunities," said Michael Sarner, Chief Executive Officer of CSWC.

### About Capital Southwest

Capital Southwest Corporation (Nasdaq: CSWC) is a Dallas, Texas-based, internally managed business development company with approximately \$1.9 billion in investments at fair value as of September 30, 2025. Capital Southwest is a middle market lending firm focused on supporting the acquisition and growth of middle market businesses with \$5 million to \$50 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 certain forward-looking statements with respect to the business and investments of the Company, including, but not limited to, statements about the Company's future performance and ability to compete for investment opportunities. 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 the Company invests; changes in the financial, capital, and lending markets; changes in the interest rate environment and its impact on the Company's business and its portfolio companies; regulatory changes; tax treatment; the uncertainty associated with the imposition of tariffs and trade barriers and changes in trade policy and its impact on the Company's portfolio companies and the Company's financial condition; an economic downturn and its impact on the ability of the Company's portfolio companies to operate and the investment opportunities available to the Company; the impact of supply chain constraints on the Company's portfolio companies; and the elevated levels of inflation and its impact on the Company's portfolio companies and the industries in which it 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, 2025 and any subsequent filings with the SEC, including the "Risk Factors" sections therein, 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.

### Investor Relations Contact:

Michael S. Sarner, President and Chief Executive Officer  
214-884-3829