Capital Southwest Announces SBA Approval to Increase Leverage Commitment Available to Capital Southwest SBIC II, LP

September 17, 2026

DALLAS, Sept. 17, 2026 (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, today announced that the U.S. Small Business Administration (the "SBA") has approved Capital Southwest SBIC II, LP's ("SBIC II") request to increase its leverage commitment from $175 million to $250 million pursuant to recent legislation.

The increased leverage capacity enhances Capital Southwest's ability to continue deploying capital through SBIC II, a wholly owned subsidiary of Capital Southwest, in support of its lower middle market investment strategy. SBIC II expects to use the additional capacity to pursue SBIC-eligible investment opportunities consistent with the investment strategy approved at licensure, while maintaining its existing underwriting standards and portfolio diversification approach. The SBA may limit the amount that may be drawn each year under the leverage commitment, and each issuance of leverage is conditioned on SBIC II's full compliance, as determined by the SBA, with the terms and conditions set forth in the SBA regulations.

The SBA program has played a pivotal role within Capital Southwest's lower middle market investment strategy since receiving its first SBIC license in April 2021. Capital Southwest received an exemptive order from the Securities and Exchange Commission that allows for the exclusion of SBA-guaranteed debentures from the definition of senior securities in the asset coverage requirement applicable to the Company under the Investment Company Act of 1940, as amended.

About Capital Southwest

Capital Southwest Corporation (Nasdaq: CSWC) is a Dallas, Texas-based, internally managed business development company with approximately $2.2 billion in investments at fair value as of June 30, 2026. 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.

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