



CAPITAL SOUTHWEST

Capital Southwest Announces Capital Markets Activity for the Quarter Ended December 31, 2022

January 3, 2023

Raised approximately \$172 million in net proceeds and new commitments during the quarter

DALLAS, Jan. 03, 2023 (GLOBE NEWSWIRE) -- Capital Southwest Corporation ("Capital Southwest", "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, is pleased to release an overview of its capital markets activity for the quarter ended December 31, 2022.

During the quarter, Capital Southwest raised a total of \$104.3 million in gross equity proceeds at a weighted average price of \$17.99, or 109% of the prevailing NAV per Share. The Company raised equity proceeds through both an underwritten public offering and its "at-the-market" offering ("Equity ATM Program"). Total gross proceeds raised in the underwritten offering and through the Equity ATM Program were \$46.0 million and \$58.3 million, respectively. In total, the Company received net equity proceeds of \$101.6 million during the quarter, after deducting commissions paid to the underwriters on shares sold.

In addition, during the quarter, the Company received a commitment from the Small Business Administration ("SBA") to reserve \$50 million of additional leverage in the form of SBA-guaranteed debentures ("SBA Debentures") to Capital Southwest SBIC I, L.P, a wholly owned subsidiary of the Company ("SBIC I"). This brings the total SBA leverage commitment to SBIC I to \$130 million. Each issuance of leverage continues to be conditioned upon full compliance with SBA regulations. As of September 30, 2022, SBIC I had \$80 million in SBA Debentures outstanding.

Finally, during the quarter, the Company completed an increase to its senior secured revolving credit facility (the "Credit Facility"). The Credit Facility was increased under the existing accordion feature by \$20 million, bringing the total commitments from \$380 million to \$400 million. The \$20 million increase was provided by one existing lender and one new lender, bringing the total bank syndicate to 11 participants. As of September 30, 2022, the Credit Facility had \$240 million in total debt outstanding.

About Capital Southwest

Capital Southwest Corporation (Nasdaq: CSWC) is a Dallas, Texas-based, internally managed business development company with approximately \$1.1 billion in investments at fair value as of September 30, 2022. 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.

Disclaimers

This press release contains historical information with respect to Capital Southwest's equity capital activities and capital resources. No assurance can be provided that the Company can access equity capital in the future and at the same pace. In addition, current statutes and regulations permit SBIC I to borrow up to \$175 million in SBA Debentures with at least \$87.5 million in regulatory capital (as defined in the SBA regulations). The SBA also may limit the amount that may be drawn each year under its leverage commitments. These statements are not guarantees of future results and are subject to numerous risks, uncertainties and assumptions that could cause future performance results to differ materially from historical performance. These risks include risks related to: the impact of market conditions on Capital Southwest's ability to access the equity capital in the future; changes in the financial, capital, and lending markets; changes in the interest rate environment; regulatory changes; tax treatment and general economic and business conditions; Capital Southwest's ability to operate SBIC I, as an SBIC; and uncertainties associated with the impact from the COVID-19 pandemic.

Readers are encouraged to review Capital Southwest's Annual Report on Form 10-K for the year ended March 31, 2022 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 our business. Except as required by the federal securities laws, Capital Southwest does not undertake any obligation to publicly update or revise any disclaimers, 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, Chief Financial Officer
214-884-3829



Source: Capital Southwest Corporation