

Overview

Capital Southwest (NASDAQ: CSWC) is an internally-managed, credit-focused BDC that is an active lender to middle market companies across the capital structure. CSWC provides flexible capital that fills financing needs that traditional first lien senior lenders are unwilling to meet. In particular, CSWC is well-positioned to finance lower middle market businesses with \$3 to \$15 million of EBITDA.

CSWC manages investable capital of approximately \$910 million. As of December 31 2019, CSWC had funded over \$1.3 billion in new credit investments, including the capital invested in its I-45 Senior Loan Fund.

The Company is managed by an investment team with decades of experience working with one another. The firm and all of its employees are located in Dallas, Texas.

Recent Investment Activity

In 2019, CSWC committed approximately **\$186 million** in new and add-on direct debt and equity financings across **17** different middle market portfolio companies.

Industry Preferences

CSWC is a **generalist** investment firm with certain preferred sectors:

- Business services
- Digital media and advertising
- Healthcare products and services
- Value-added distribution
- Industrial manufacturing and services
- Consumer products and retail
- Tech-enabled and digital media services

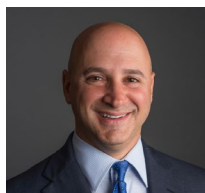
Investment Parameters

Investment Size	<ul style="list-style-type: none"> • \$5 to \$50 million financings • \$5 to ~\$25 million commitment size per deal • Active network of co-investors
Company Size	<ul style="list-style-type: none"> • Minimum of \$3 million of EBITDA • Typically \$3 to \$15 million of EBITDA
Situations	<ul style="list-style-type: none"> • New platform acquisitions • Dividend recapitalizations • Refinancings • Bolt-on acquisitions • Growth financings
Clients	<ul style="list-style-type: none"> • Financial sponsors • Investment banks and business brokers • Founder and independently-owned businesses • Independent sponsors
Investment Structures	<ul style="list-style-type: none"> • Unitranche debt (with network of first out senior lending relationships) • First lien debt • Second lien debt • Subordinated debt • Preferred and common equity • Flexibility to invest across multiple securities
Equity Investments	<ul style="list-style-type: none"> • Equity co-investments alongside debt investments • Non-control investor
Geography	<ul style="list-style-type: none"> • Anywhere in the United States
Partnership	<ul style="list-style-type: none"> • Relationship-centric firm focused on mutually beneficial partnerships over several deals
Committee Process	<ul style="list-style-type: none"> • Investment committee all co-located in Dallas • CSWC deal leaders have day-to-day access to Senior Management and can “speak for the firm” and execute without surprises

Capital Southwest Investment Team



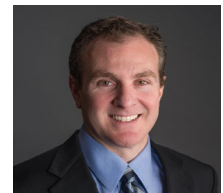
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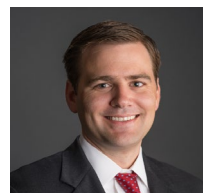
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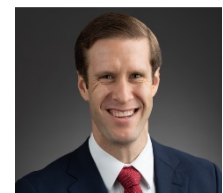
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 <p>LANDPOINT Environmental Services</p> <p>\$19.5mm First Lien</p> <p>December 2019</p>	 <p>Preferred Trading Platform NINJA TRADER ARCHITECTURE OF EXECUTION TRADING PERFORMANCE</p> <p>Software & IT Services</p> <p>\$22mm Revolver, First Lien & Equity</p> <p>December 2019</p>	 <p>TRINITY3 TECHNOLOGY</p> <p>Distribution Services</p> <p>\$15mm Term Loan & Equity</p> <p>November 2019</p>	 <p>GRAMMATECH</p> <p>Software & IT Services</p> <p>\$15mm Revolver, First Lien & Equity</p> <p>November 2019</p>	 <p>relevant. rental solutions.</p> <p>Industrial Products</p> <p>\$18mm Last Out Untranche</p> <p>October 2019</p>
 <p>vertex Business Services</p> <p>\$21mm Last Out Untranche & Equity</p> <p>July 2019</p>	 <p>DRIVEN</p> <p>Business Services</p> <p>\$12mm First Lien</p> <p>June 2019</p>	 <p>eenergizer</p> <p>Business Services</p> <p>\$15mm First Lien</p> <p>April 2019</p>	 <p>SCRIP COMPANIES</p> <p>Distribution Services</p> <p>\$18mm Last Out Untranche & Equity</p> <p>March 2019</p>	 <p>ACE GATHERING Energy Services (Midstream)</p> <p>\$10mm Split Lien Term Loan</p> <p>December 2018</p>
 <p>PRECISION SPINE CARE</p> <p>Healthcare Services</p> <p>\$14mm Revolver, First Lien & Equity</p> <p>November 2018</p>	 <p>Danforth Advisors</p> <p>Business Services</p> <p>\$9mm Revolver, First Lien & Equity</p> <p>September 2018</p>	 <p>STAT IN MED</p> <p>Healthcare Services</p> <p>\$17mm First Lien & Equity</p> <p>September 2018</p>	 <p>Ortho Bethesda RESTORING FUNCTION</p> <p>Healthcare Services</p> <p>\$15mm First Lien, Second Lien & Equity</p> <p>August 2018</p>	<p>Confidential</p> <p>Digital Media</p> <p>\$21mm Last Out Untranche & Equity</p> <p>August 2018 (add-on) April 2018 (add-on) October 2017 (add-on) February 2017</p>
 <p>PRISM</p> <p>Business Services</p> <p>\$20mm Revolver, First Lien & Equity</p> <p>August 2018 (3x add-on) February 2018</p>	 <p>BLASCHAK COAL CORP</p> <p>Natural Resources</p> <p>\$9mm Split Lien</p> <p>July 2018</p>	 <p>DYNAMIC COMMUNITIES</p> <p>Business Services</p> <p>\$14mm Revolver, First Lien & Equity</p> <p>July 2018</p>	 <p>APG ADAMS PUBLISHING GROUP LLC Media, Marketing & Entertainment</p> <p>\$17mm First Lien & Delayed Draw</p> <p>July 2018</p>	 <p>Environmental Pest Service</p> <p>Consumer Services</p> <p>\$23mm First Lien & Delayed Draw</p> <p>June 2018</p>
 <p>EAST SANDWICH FS</p> <p>Consumer Products & Retail</p> <p>\$8mm Revolver & First Lien</p> <p>May 2018</p>	 <p>DELPHI Behavioral Health Group</p> <p>Healthcare Services</p> <p>\$13mm First Lien</p> <p>April 2018 (add-on) November 2017</p>	 <p>AMERICAN NUTS FRESHLY ROASTED</p> <p>Distribution</p> <p>\$26mm Revolver, First Lien, Delayed Draw & Equity</p> <p>April 2018</p>	 <p>APOLLO MedFlight</p> <p>Healthcare Services</p> <p>\$15mm Revolver, First Lien, Delayed Draw & Equity</p> <p>February 2018</p>	 <p>Capital PAWN</p> <p>Consumer Products & Retail</p> <p>\$13mm First Lien</p> <p>December 2017</p>