

## 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 \$950 million. As of June 30 2020, 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

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

## Capital Southwest Investment Team



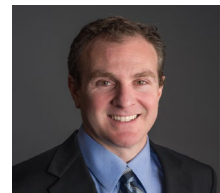
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 <p>Media, Marketing &amp; Entertainment</p> <p><b>\$9mm</b> First Lien &amp; Equity</p> <p>September 2020</p>	 <p>Consumer Products &amp; Retail</p> <p><b>\$8mm</b> Revolver &amp; First Lien</p> <p>September 2020</p>	 <p>Industrial Products</p> <p><b>\$20mm</b> Last Out Unitranche &amp; First Lien</p> <p>August 2020 (add-on) October 2019</p>	 <p>Software &amp; IT Services</p> <p><b>\$12mm</b> Revolver &amp; First Lien</p> <p>July 2020</p>	 <p>Business Services</p> <p><b>\$15mm</b> Revolver, First Lien &amp; Equity</p> <p>July 2020</p>
 <p>Healthcare Products</p> <p><b>\$17mm</b> Revolver, First Lien &amp; Equity</p> <p>July 2020 (add-on) November 2017</p>	 <p>Healthcare Services</p> <p><b>\$19mm</b> Revolver, First Lien &amp; Equity</p> <p>July 2020 (add-on) November 2018</p>	 <p>Media, Marketing &amp; Entertainment</p> <p><b>\$9mm</b> Revolver &amp; First Lien</p> <p>June 2020</p>	 <p>Healthcare Services</p> <p><b>\$11mm</b> Revolver, First Lien, Capex Line, Equity</p> <p>May 2020</p>	 <p>Distribution</p> <p><b>\$8mm</b> First Lien</p> <p>March 2020</p>
 <p>Industrial Services</p> <p><b>\$8mm</b> First Lien</p> <p>February 2020</p>	<p>Confidential</p> <p>Industrial Services</p> <p><b>\$16mm</b> First Lien &amp; Delayed Draw</p> <p>January 2020</p>	 <p>Media, Marketing &amp; Entertainment</p> <p><b>\$21mm</b> First Lien</p> <p>January 2020 (add-on) December 2017</p>	 <p>Environmental Services</p> <p><b>\$19.5mm</b> First Lien</p> <p>December 2019</p>	 <p>Software &amp; IT Services</p> <p><b>\$22mm</b> Revolver, First Lien &amp; Equity</p> <p>December 2019</p>
 <p>Healthcare Services</p> <p><b>\$19mm</b> Revolver, First Lien, Delayed Draw &amp; Equity</p> <p>December 2019 (add-on) August 2019 (add-on) February 2018</p>	 <p>Healthcare Services</p> <p><b>\$18mm</b> First Lien &amp; Equity</p> <p>December 2019 (add-on) September 2018</p>	 <p>Distribution Services</p> <p><b>\$15mm</b> Term Loan &amp; Equity</p> <p>November 2019</p>	 <p>Software &amp; IT Services</p> <p><b>\$15mm</b> Revolver, First Lien &amp; Equity</p> <p>November 2019</p>	 <p>Business Services</p> <p><b>\$21mm</b> Last Out Unitranche &amp; Equity</p> <p>July 2019</p>
 <p>Business Services</p> <p><b>\$12mm</b> First Lien</p> <p>June 2019</p>	 <p>Business Services</p> <p><b>\$15mm</b> First Lien</p> <p>April 2019</p>	 <p>Business Services</p> <p><b>\$21mm</b> Revolver, First Lien, Delayed Draw &amp; Equity</p> <p>April 2019 (add-on) July 2017</p>	 <p>Media, Marketing &amp; Entertainment</p> <p><b>\$18mm</b> First Lien</p> <p>April 2019 (add-on) February 2017</p>	 <p>Distribution Services</p> <p><b>\$18mm</b> Last Out Unitranche &amp; Equity</p> <p>March 2019</p>