CAPITAL SOUTHWEST

Capital Southwest Corporation

Capital Southwest Corporation Investor Presentation

November 2026

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Forward-Looking Statements

- This presentation contains forward-looking statements relating to, among other things, the business, market conditions, financial condition and results of operations of Capital Southwest, the anticipated investment strategies and investments of Capital Southwest, and future market demand. Any statements that are not statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, preceded by, followed by, or include words such as "believe," "expect," "intend," "plan," "should" or similar words, phrases or expressions or the negative thereof. These statements are made on the basis of the current beliefs, expectations and assumptions of the management of Capital Southwest and speak only as of the date of this presentation. There are a number of risks and uncertainties that could cause Capital Southwest's actual results to differ materially from the forward-looking statements included in this presentation.

- These risks include risks related to: changes in the markets in which Capital Southwest invests; changes in the financial, capital, and lending markets; changes in the interest rate environment and its impact on our business and our portfolio companies; the impact of supply chain constraints on our portfolio companies; elevated levels of inflation and its impact on Capital Southwest's portfolio companies and the industries in which it invests; regulatory changes; tax treatment and general economic and business conditions; our ability to operate our wholly owned subsidiaries, Capital Southwest SBIC I, LP and Capital Southwest SBIC II, LP, as small business investment companies ("SBIC"); the uncertainty associated with the imposition of tariffs and trade barriers and changes in trade policy and its impact on our portfolio companies and our financial condition; the impact of geopolitical conditions on our portfolio companies and opportunities available to us; and an economic downturn or recession and its impact on the ability of our portfolio companies to operate and the investment opportunities available to us.

- For a further discussion of some of the risks and uncertainties applicable to Capital Southwest and its business, see Capital Southwest's Annual Report on Form 10-K for the fiscal year ended March 31, 2026 and its subsequent filings with the SEC. Other unknown or unpredictable factors could also have a material adverse effect on Capital Southwest's actual future results, performance, or financial condition. As a result of the foregoing, readers are cautioned not to place undue reliance on these forward-looking statements. Capital Southwest does not assume any obligation to revise or to update these forward-looking statements, whether as a result of new information, subsequent events or circumstances, or otherwise, except as may be required by law.

CSWC Company Overview

CSWC is a middle-market lending firm focused on supporting the acquisition and growth of middle-market companies across the capital structure

- CSWC was formed in 1961, and elected to be regulated as a BDC in 1988
- Publicly-traded on Nasdaq: Common Stock (“CSWC”)
- Internally Managed BDC with RIC tax treatment for U.S. federal income tax purposes
- 46 employees based in Dallas, Texas
- Total Balance Sheet Assets of $2.5 B as of September 30, 2026
- Operate Capital Southwest SBIC I, LP and Capital Southwest SBIC II, LP as wholly-owned subsidiaries
- Co-manage two joint ventures with Trinity Capital Inc. (CapTrin Partners, LLC and Desert Star 2026 LLC)
- Maintained investment grade issuer ratings of Baa3 from Moody's and BBB- from Fitch

CSWC Senior Management



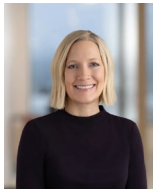
Michael S. Sarner
President and Chief Executive Officer

- Joined Capital Southwest in June 2015
- Former SVP Treasurer at American Capital
- 30+ years of financial, treasury and BDC experience
- BA – James Madison | MBA – George Washington University



Josh S. Weinstein
Senior Managing Director and Chief Investment Officer

- Joined Capital Southwest in June 2015
- Former Principal at H.I.G. WhiteHorse
- 20+ years of investment experience in middle market debt and equity
- BA – Columbia University | MBA – University of Southern California
- Chartered Financial Analyst



Amy L. Baker
Executive Vice President of Accounting

- Joined Capital Southwest in August 2017
- Former Assistant Controller at MoneyGram and former Senior Manager at Deloitte
- 20+ years of accounting experience
- BS – University of Illinois | MSA – University of Illinois
- Certified Public Accountant



Chris T. Rehberger
Chief Financial Officer, Treasurer and Secretary

- Joined Capital Southwest in September 2015
- Former VP at American Capital
- 20+ years of BDC experience
- BS – University of Virginia | MBA – University of Virginia



Tabitha D. Geiger
Chief Compliance Officer

- Joined Capital Southwest in April 2024
- Former Senior MD at IQ-EQ
- 9+ years of compliance experience
- BASc – Texas A&M University | JD – South Texas College

Lower Middle Market Credit Strategy

CSWC leads financing transactions, primarily backing private equity firms that generally fit the following parameters

- Flexible financing solutions to fund growth, changes of control, or other corporate events
- Investments are diverse among industries, geographic regions, and end markets
- Companies with EBITDA between $3 MM and $25 MM
- Typical leverage of 2.5x – 4.5x Debt to EBITDA through CSWC debt position and Loan-to-Value of 25% - 50%
- Investments generally range in size from $5 MM to $50 MM
- Both sponsored and non-sponsored deals
- Floating rate first lien debt securities
- Frequently make equity co-investments alongside CSWC debt

Strong Investment & Capitalization Track Record

- **CSWC:** Invested $4.7 B in 219 middle-market portfolio companies
  - ✓ 119 portfolio company exits generating proceeds of $1.5 B and a weighted average IRR of 13.0%
- **Joint Venture Investments:** two joint ventures in partnership with Trinity Capital Inc. (Nasdaq: "TRIN")
  - ✓ CapTrin Partners, LLC: Invested $127 MM in 14 middle-market portfolio companies
  - ✓ Desert Star 2026 LLC: Invested $128 MM in 20 middle-market portfolio companies
- **I-45 SLF:** Invested $645 MM in 133 middle-market credits
  - ✓ In March 2024, I-45 SLF was dissolved and the residual assets were distributed to the joint venture partners
- **Debt Capital:** Cumulatively raised approximately ~$2.3 B of debt capital over last 10 years
  - ✓ Current capital structure consists of –
    - ❖ $595 MM Senior Secured Credit Facility, consisting of a syndicate of eleven banks
    - ❖ $200 MM SPV Credit Facility
    - ❖ $230 MM of 5.125% of Five Year Convertible Notes ("2029 Convertible Notes")
    - ❖ $350 MM of 5.95% of Five Year Unsecured Notes ("September 2030 Notes")
    - ❖ $350 MM of 6.75% of Five Year Unsecured Notes ("September 2031 Notes")
- **Equity Capital:** Cumulatively raised over $1.1 B of equity capital over last 10 years
  - ✓ Raised $1.0 B in gross proceeds at an average price of $21.48 since inception of Equity ATM Program
  - ✓ Raised $59 MM in gross proceeds through underwritten public equity offerings
- **SBIC I:** Received $175 MM in leverage commitments from the SBA; $159 MM in Debentures drawn
- **SBIC II:** Received $175 MM in leverage commitments from the SBA; $130 MM in Debentures drawn
- **Investment Grade Credit Rating:** Baa3 rating from Moody's and BBB- from Fitch
- **Strong Value Creation:** Cumulative value creation of $21.50 per share (Net Asset Value + Cumulative Dividends Paid) since 9/30/2015 spin-off
- **Strong Wall Street Following:** Active research coverage from eight firms

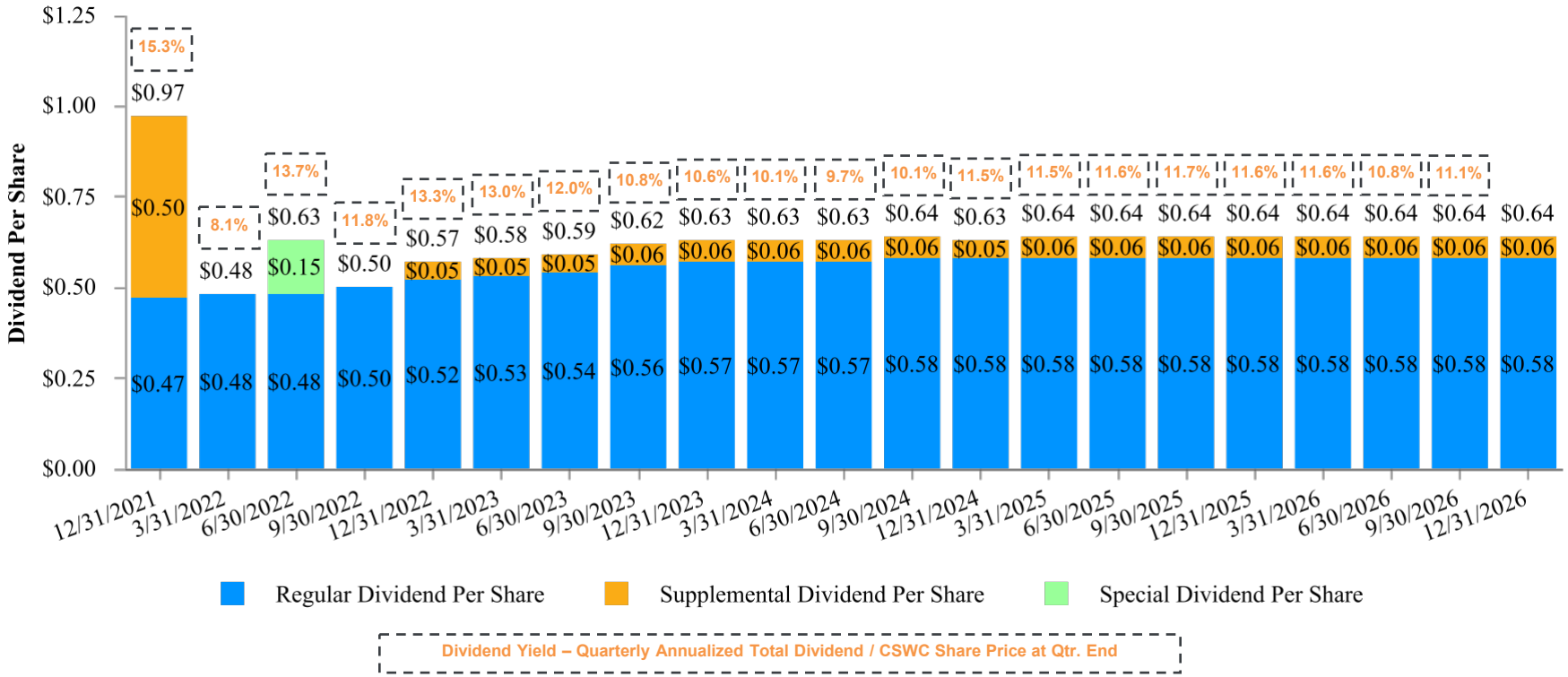
Q2 2027 Highlights

Financial Highlights

- Q2 2027 Pre-Tax Net Investment Income (“NII”) of $37.2 MM or $0.58 per share
- Declared a regular quarterly dividend of $0.58 per share, of which $0.1934 per share will be paid monthly for each of October, November, and December 2026
  - Additionally, declared quarterly supplemental dividend of $0.06 per share for the quarter ending December 31, 2026
- Undistributed Taxable Income ("UTI") of $0.92 per share as of September 30, 2026
- Investment Portfolio at Fair Value of approximately $2.4 B
- Net Asset Value per share of $16.64 as of September 30, 2026
- Amended Corporate Credit Facility which increased total commitments to $595 MM from $510 MM, decreased applicable margin to 2.00% from 2.15%, removed SOFR adjustment (10 - 15 bps), and extended maturity to September 2031 from August 2028
- Issued $350 MM in aggregate principal of 6.750% notes due 2031 ("September 2031 Notes")
  - Entered into interest rate hedge which swapped September 2031 Notes to SOFR + 2.16% spread
- Raised $67.0 MM in gross proceeds through Equity ATM Program during the quarter
  - Sold shares at weighted-average price of $24.50 per share, or 148% of the prevailing NAV per share
- Regulatory Debt to Equity ended at 1.00x for the quarter
- $599 MM of total availability under credit facilities and $48 MM in cash and cash equivalents as of quarter end

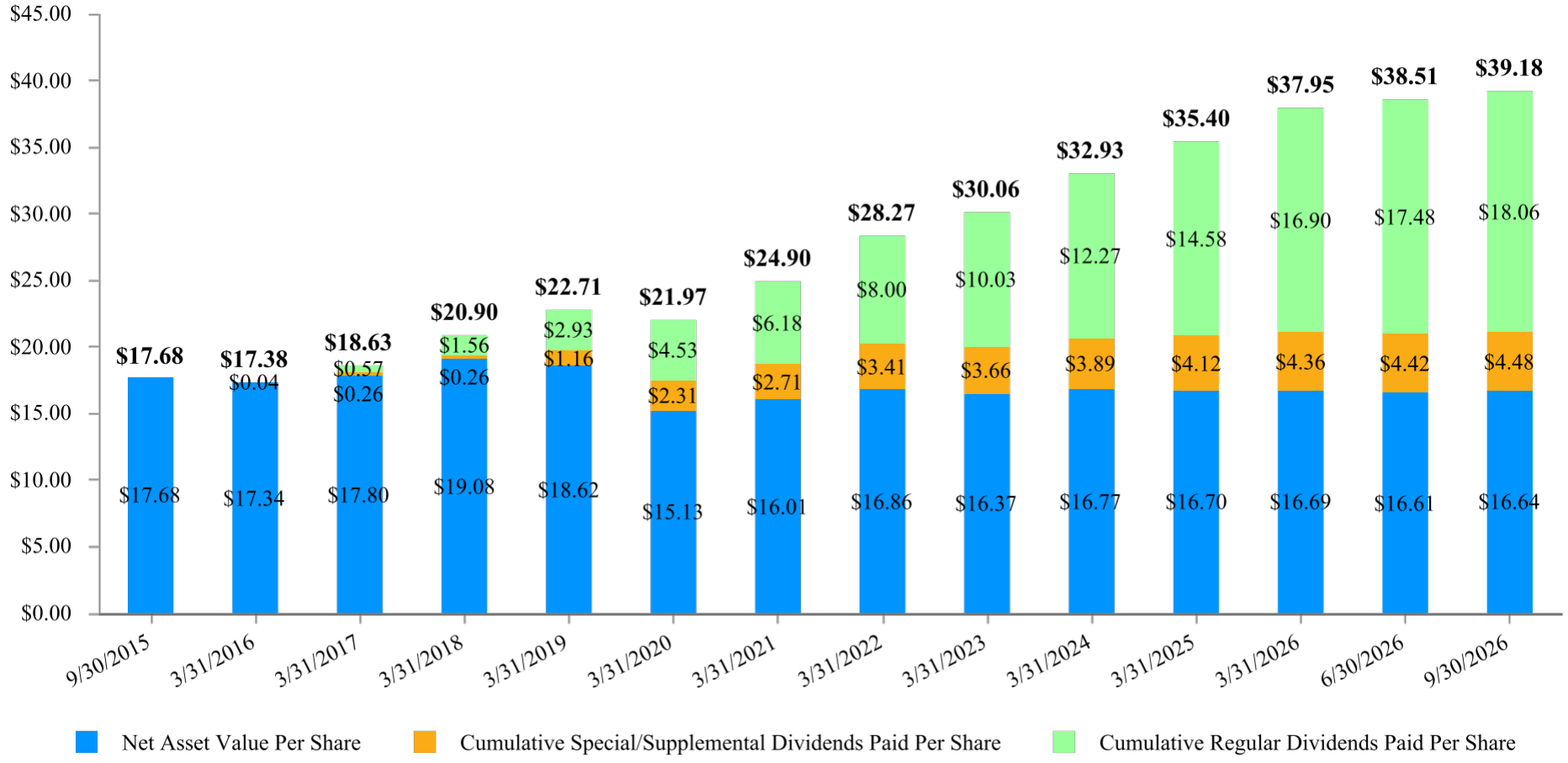
Track Record of Consistent Dividends Continues

- In the last twelve months ended 9/30/2026, CSWC generated $2.34 per share in Pre-Tax NII and paid out $2.32 per share in Regular Dividends
- Cumulative Pre-Tax NII Regular Dividend Coverage of 109% since launch of credit strategy in 2015
- Total of $4.54 per share Special and Supplemental Dividends declared since launch of credit strategy in 2015
- Estimated UTI of $0.92 per share as of September 30, 2026



History of Value Creation

Total Value (Net Asset Value + Cumulative Dividends Paid) Increase of $21.50 per share since Launching Credit Strategy



Q2 2027 Investment Activity

Investment Activity Highlights

- During the quarter, CSWC originated $391.0 MM in total new committed investments ($268.6 MM funded at close) to fourteen new portfolio companies and sixteen existing portfolio companies
    - Committed investments to new portfolio companies consisted of $314.2 MM in first lien debt and $12.9 MM in equity
- Additionally, CSWC committed $25 MM in equity to a new joint venture (Desert Star 2026 LLC) with Trinity Capital
- During the quarter, CSWC exited four debt investments and one equity investment generating total proceeds of $74.2 MM and a weighted average IRR of 14.5%
- In the last twelve months, CSWC originated $1.0 B in total new committed investments and generated $240.6 MM in proceeds from portfolio investment exits
- Cumulative weighted average IRR of 13.0% on 119 portfolio company exits, generating $1.5 B in proceeds since launch of credit strategy in January 2015

CSWC Investment Portfolio Composition

Maintaining appropriate portfolio leverage while receiving attractive risk-adjusted returns

Investment Portfolio - Statistics		
(in $000's)	**6/30/2026**	**9/30/2026**
	Total CSWC Portfolio	**Total CSWC Portfolio**
Number of Portfolio Companies	141	153
Total Cost	$2,234,580	$2,459,088
Total Fair Value	$2,202,282	$2,410,129
Average Hold Size Debt Investments (at Fair Value)	$16,393	$16,527
Average Hold Size Equity Investments (at Fair Value)	$2,130	$2,198
% First Lien Investments (at Fair Value)	89.6%	89.4%
% Second Lien Investments (at Fair Value)	1.1%	1.0%
% Subordinated Debt Investments (at Fair Value)	0.1%	0.1%
% Equity (at Fair Value) (1)	8.2%	8.0%
% Joint Venture Investments (at Fair Value) (2)	0.9%	1.5%
Wtd. Avg. Yield on Debt Investments (3)	10.9%	10.9%
Wtd. Avg. Yield on Total Investments (4)	10.8%	11.1%
Wtd. Avg. EBITDA of Issuer ($MM's) (5)	$14.8	$14.6
Wtd. Avg. Leverage through CSWC Security (6)	3.7x	3.7x

(1) At September 30, 2026 and June 30, 2026, we had equity ownership in approximately 68% and 67%, respectively, of our investments.
(2) Joint Venture Investments consist of equity investments in CapTrin Partners, LLC and Desert Star 2026 LLC.
(3) The weighted-average annual effective yields were computed using the effective interest rates during the quarter for all debt investments at cost as of September 30, 2026, including accretion of original issue discount but excluding fees payable upon repayment of the debt instruments.
(4) The weighted average annual effective yields on total investments were calculated by dividing total investment income, exclusive of non-recurring fees, by average total investments at fair value.
(5) Includes CSWC debt investments only. Weighted average EBITDA metric is calculated using investment cost basis weighting. For the quarters ended September 30, 2026 and June 30, 2026, fifteen portfolio companies and thirteen portfolio companies, respectively, are excluded from this calculation due to a reported debt to adjusted EBITDA ratio that was not meaningful.
(6) Includes CSWC debt investments only. Calculated as the amount of each portfolio company's debt (including CSWC's position and debt senior or pari passu to CSWC's position, but excluding debt subordinated to CSWC's position) in the capital structure divided by each portfolio company's adjusted EBITDA. Weighted average leverage is calculated using investment cost basis weighting. For the quarters ended September 30, 2026 and June 30, 2026, fifteen portfolio companies and thirteen portfolio companies, respectively, are excluded from this calculation due to a reported debt to adjusted EBITDA ratio that was not meaningful.

Quarter-over-Quarter Investment Rating Migration

Approximately 89% of all debt investments are currently rated a "1" or "2" as credit portfolio continues to demonstrate solid performance

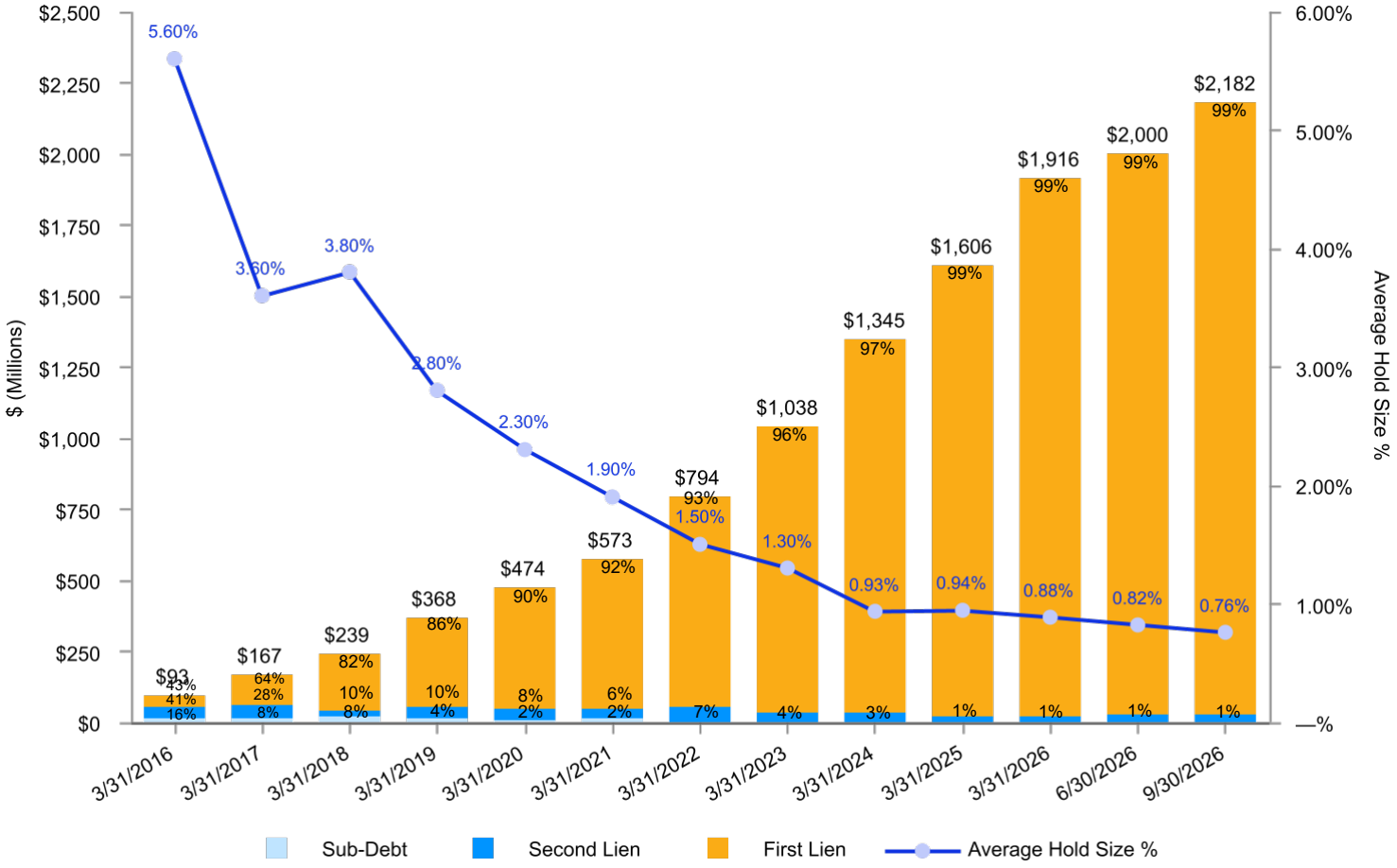
Investment Rating	6/30/2026			9/30/2026		
	# of Companies	Fair Value ($MM)	% of Portfolio (FV)	# of Companies	Fair Value ($MM)	% of Portfolio (FV)
1	19	$376.5	18.8%	21	$451.2	20.7%
2	85	$1,395.7	69.8%	92	$1,484.2	68.0%
3	12	$200.4	10.0%	13	$220.4	10.2%
4	5	$26.9	1.3%	5	$24.8	1.1%
5	1	$0.5	0.0%	1	$0.8	0.0%
Total	**122**	**$1,999.9**	**100.0%**	**132**	**$2,181.5**	**100.0%**

Note: We utilize an internally developed investment rating system to rate the performance and monitor the expected level of returns for each debt investment in our portfolio. The investment rating system takes into account both quantitative and qualitative factors of the portfolio company and the investments held therein. Investment Ratings range from a rating of 1, which represents the least amount of risk in our portfolio, to 5, which indicates that the investment is performing materially below underwriting expectations.

Granular Credit Portfolio Heavily Weighted Towards First Lien Investments

99% of credit portfolio in first lien senior secured loans with an average investment hold size of 0.76% at fair value as of 9/30/2026

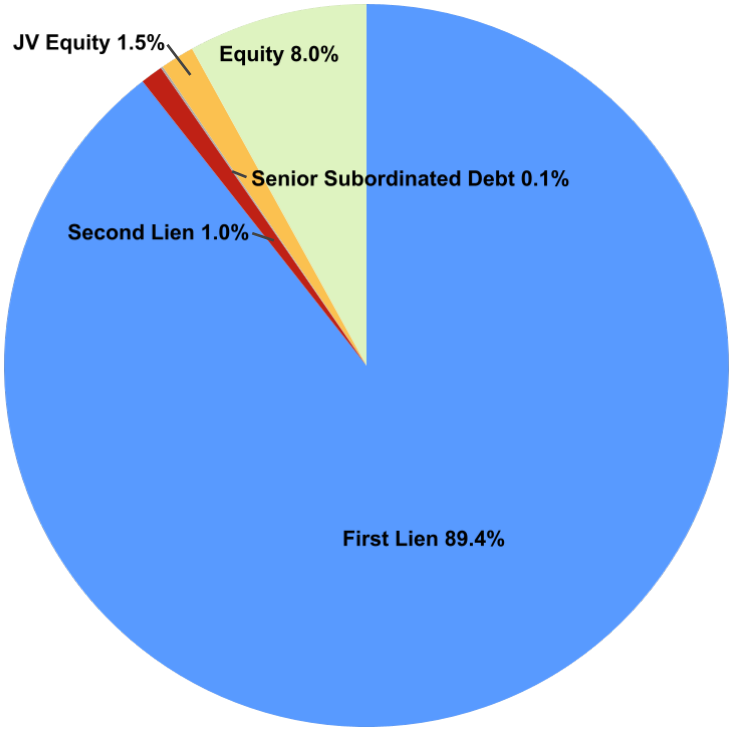
Credit Portfolio Heavily Weighted to First Lien



CSWC Portfolio Mix as of September 30, 2026 at Fair Value

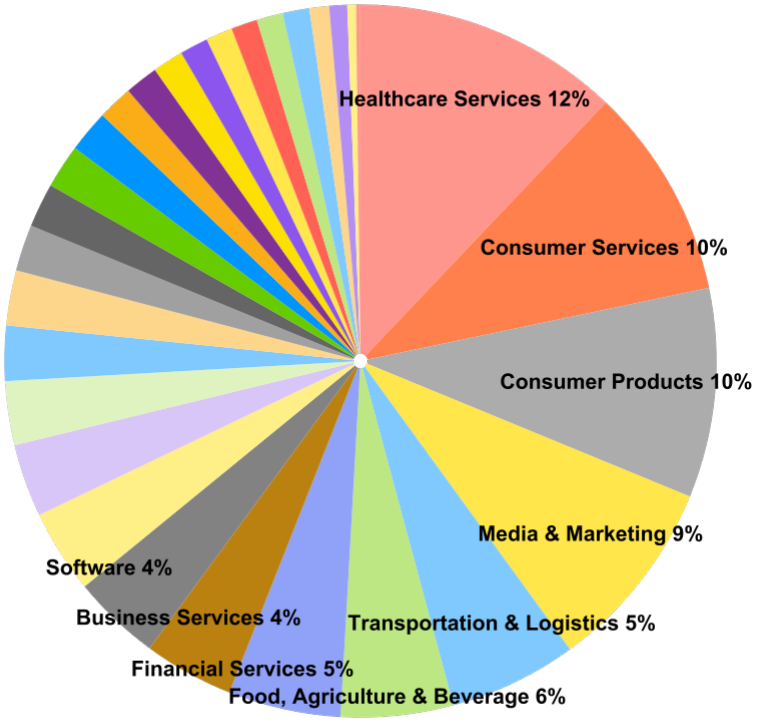
Current Investment Portfolio of approximately $2.4 B continues to be heavily weighted towards first lien loans and diversified across industries

Current Investment Portfolio (By Type)



Note: Equity represents equity co-investments across 102 portfolio companies.

Current Investment Portfolio (By Industry)



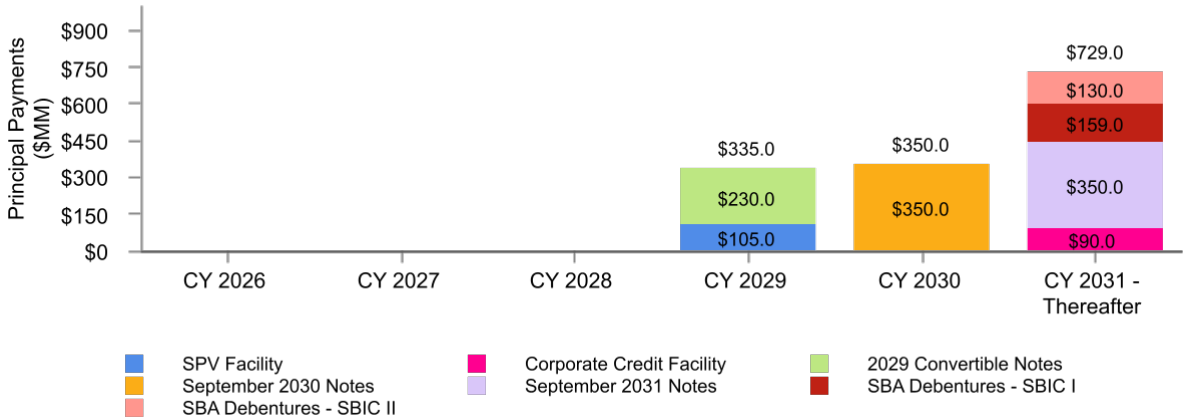
CSWC Capitalization

- $595 MM Credit Facility: led by ING Capital (eleven banks)
  - $90 MM drawn as of 9/30/26
  - Matures September 2031; Adjusted Term SOFR + 200
- $200 MM CSWC SPV Credit Facility: led by Deutsche Bank
  - $105 MM drawn as of 9/30/26
  - Matures March 2029; Term SOFR + 250
- SBIC I: $175 MM Leverage Commitment
  - $159 MM in Debentures drawn as of 9/30/26
  - Reinvestment period ended April 2026, after which SBIC I has begun to repay debentures as liquidity permits
- SBIC II: $175 MM Leverage Commitment
  - $130 MM in Debentures drawn as of 9/30/26
  - Current regulations permit SBIC II to borrow up to $250 MM in SBA Debentures
- $230 MM 2029 Convertible Notes
  - Matures November 2029 (unless earlier converted, redeemed or repurchased), 5.125% Fixed
- $350 MM September 2030 Notes
  - Matures September 2030, 5.95% Fixed
- $350 MM September 2031 Notes
  - Matures September 2031, 6.75% Fixed
  - Entered into interest rate hedge which swapped September 2031 Notes to SOFR + 2.16% spread
- Balance Sheet Cash: Approximately $48 MM as of 9/30/26
- Regulatory Leverage (Debt/Equity): 1.00x as of 9/30/26

Significant Unused Debt Capacity with Long-Term Duration

Debt Obligations	Total Commitments	Interest Rate	Maturity	Principal Drawn	Undrawn Commitment
SPV Credit Facility	$200.0 MM	Term SOFR + 2.50%	March 2029	$105.0 MM	$95.0 MM
2029 Convertible Notes [1]	$230.0 MM	5.125%	November 2029	$230.0 MM	N/A
September 2030 Notes [2]	$350.0 MM	5.950%	September 2030	$350.0 MM	N/A
Corporate Credit Facility	$595.0 MM	Term SOFR + 2.00%	September 2031	$90.0 MM	$504.1 MM [3]
September 2031 Notes [4]	$350.0 MM	6.750% [5]	September 2031	$350.0 MM	N/A
SBA Debentures - SBIC I	$159.0 MM	4.43%	September 2031 [6]	$159.0 MM	$0.0 MM
SBA Debentures - SBIC II [7]	$175.0 MM	4.90%	March 2036 [8]	$130.0 MM	$45.0 MM

Long-Term Debt Obligations (Calendar Year)



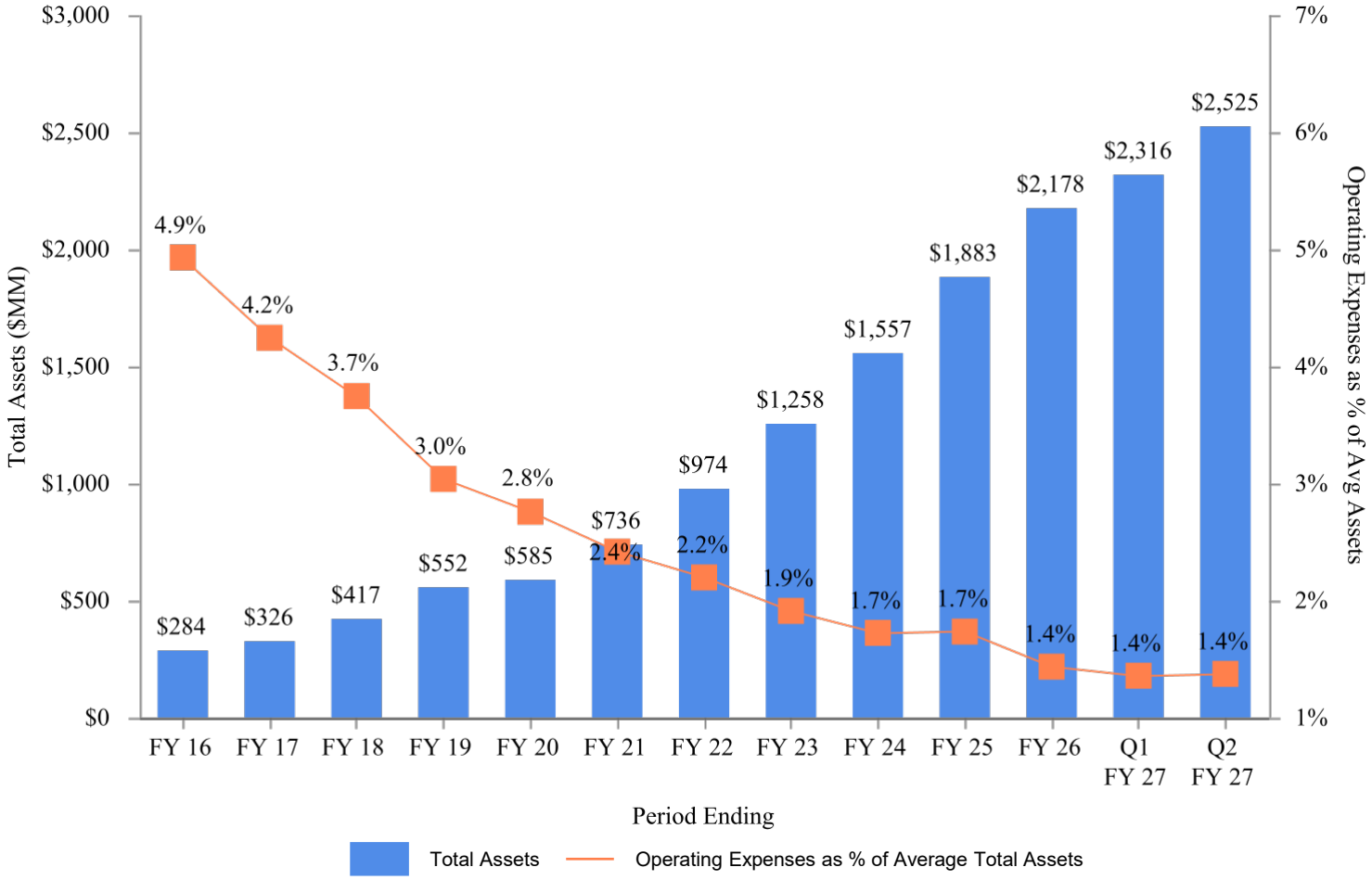
(1) Redeemable in whole or in part at Capital Southwest's option on or after November 20, 2027 or before the 45th scheduled trading day immediately prior to the maturity date if the price of CSWC common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period
(2) Redeemable in whole or in part at Capital Southwest's option any time prior to August 18, 2030, at par plus a "make-whole" premium, and thereafter at par
(3) Net of $0.9 MM in letters of credit outstanding
(4) Redeemable in whole or in part at Capital Southwest's option any time prior to August 15, 2031, at par plus a "make-whole" premium, and thereafter at par
(5) In connection with the September 2031 Notes, the Company has entered into an interest rate swap. Under the interest rate swap, the Company receives a fixed interest rate of 6.75% and pays a floating interest rate of Daily Compounded SOFR plus 2.1587%
(6) First SBA Debentures for SBIC I mature on September 1, 2031
(7) Current statutes and regulations permit SBIC I and SBIC II to borrow up to $250 million in SBA Debentures, subject to SBA approval
(8) First SBA Debentures for SBIC II mature on March 1, 2036

Internally Managed BDC Advantages

- We operate under a shareholder friendly Internally Managed structure which:
  - Aligns management incentives with long term sustainable shareholder value creation
  - Historically has rewarded performing Internally Managed BDCs with price-to-book premiums of 0.5x versus Externally Managed peers
  - CSWC LTM Operating Leverage of 1.4% as of 9/30/26 compares favorably to BDC industry average of approximately 2.5%.
- With the passage of the BDC Modernization Act, virtually 100% of incremental levered returns will go directly to shareholders of Internally Managed BDCs in the form of dividends, while only a portion of the incremental levered returns will translate into increased dividends to shareholders of Externally Managed BDCs
  - Externally Managed BDCs pay incremental management and incentive fees on incremental dollars invested
  - Internally Managed BDCs do not have management or incentive fee structures

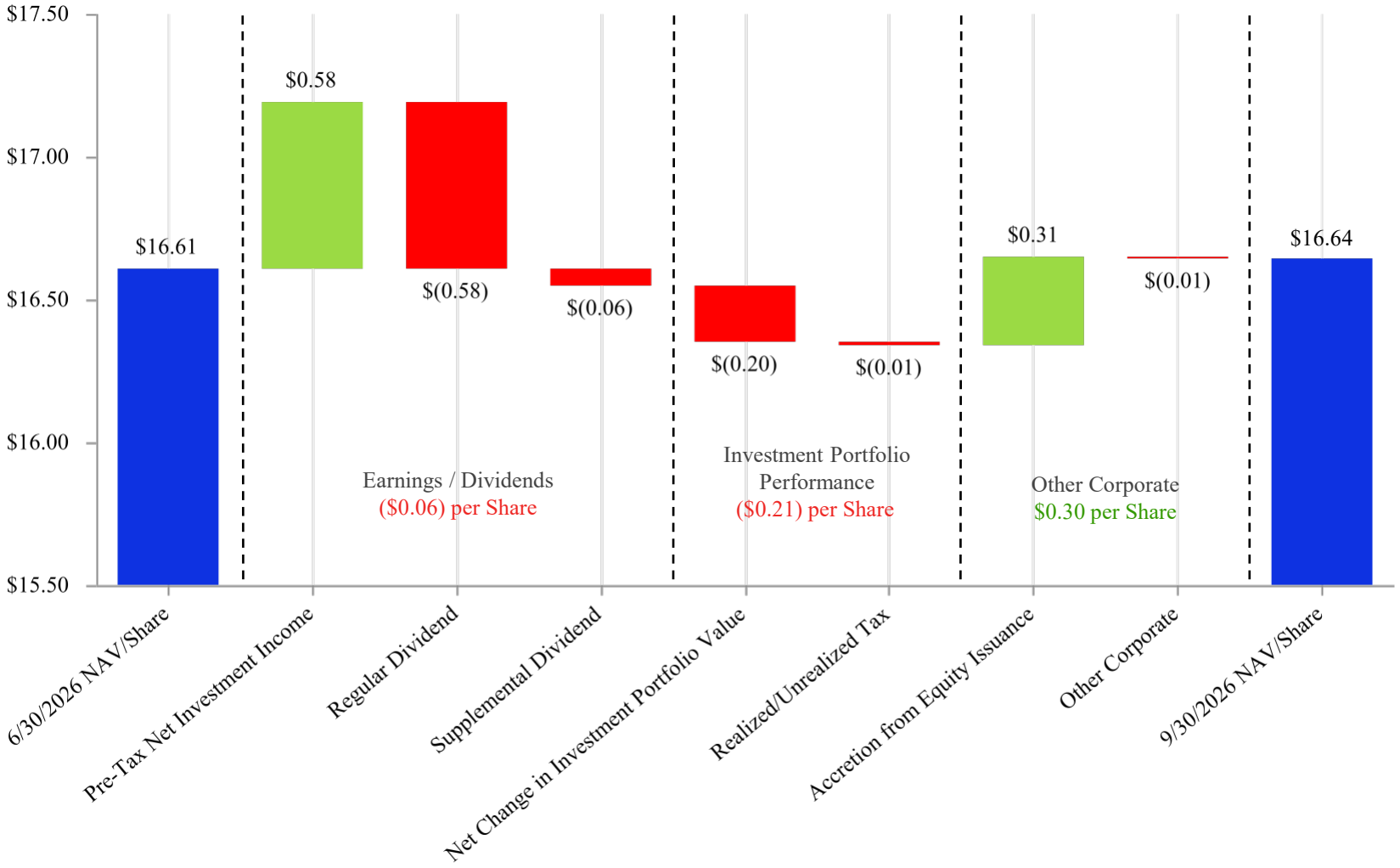
Operating Leverage Trend

Driving exceptional Operating Leverage through benefits of internally-managed structure



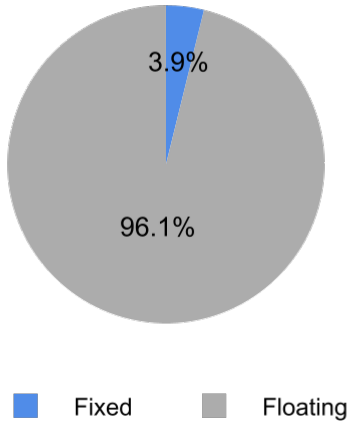
Note: Operating Leverage calculated as last twelve months operating expenses (excluding interest expense) divided by average annual assets

NAV per Share Bridge for Quarter Ended 09/30/26



Interest Rate Sensitivity

Fixed vs. Floating Credit Portfolio Exposure



Change in Base Interest Rates	Illustrative Annual NII Change ($'s)	Illustrative Annual NII Change ($ Per Share)
(50 bps)	(8,079,143)	(0.12)
(25 bps)	(4,039,571)	(0.06)
25 bps	4,039,571	0.06
50 bps	8,079,143	0.12
75 bps	12,118,714	0.18
100 bps	16,158,285	0.24

Note: Illustrative change in annual NII does not adjust for potential changes in the credit market, credit quality, size and composition of the assets in the portfolio and is implied using a base rate of 4.08%. It also does not adjust for other business developments, including future originations and repayments. Accordingly, no assurances can be given that actual results would not differ materially from the table above. Additionally, this analysis includes the impact of the effective hedge through the interest rate swap associated with the September 2031 Notes.

Appendix A: Investment Team

Investment Team with Strong Credit Experience

Name	Title	Years Experience	Year Joined CSWC	Relevant Experience
Michael Sarner	President / Chief Executive Officer	31	2015	- Senior Vice President of Treasury at American Capital - Investment Committee Member since 2015
Josh Weinstein	Senior Managing Director / Chief Investment Officer	25	2015	- Principal at H.I.G. WhiteHorse - VP at WhiteHorse Capital Partners - Analyst at Morgan Stanley and Citigroup
Ryan Kelly	Managing Director	19	2010	- Analyst at Houlihan Lokey
Grant Eason	Managing Director	16	2019	- VP at Stonehenge Capital Company - Analyst at Stephens
Ryan Mullins	Managing Director	15	2026	- Principal at Peak Rock Capital - Principal at Atalaya Capital Management - Principal at Elm Park Capital Management
Dan Hoover	Principal	14	2026	- Director at Manulife | Comvest Credit Partners - Assistant VP at Capital One
Matthew Silvey	Principal	9	2023	- Sr Associate at Stellus Management - Associate at JP Morgan
Will Riley	Principal	8	2019	- Associate at PricewaterhouseCoopers
Garrett Hancock	Vice President	11	2022	- Analyst at Capital One
Colin Ruska	Vice President	10	2025	- VP at J.P. Morgan
Michael Miner	Vice President	8	2026	- VP at SWK Holdings
Michael Bruley	Senior Associate	7	2020	- Analyst at Rosewood Private Investments
Brock Sutton	Senior Associate	7	2023	- Associate at J.P. Morgan
Avery Burke	Senior Associate	7	2026	- Sr Associate at Oxford Finance
Matthew Daniels	Senior Associate	5	2026	- Sr Associate at Riveron Consulting

Investment Team with Strong Credit Experience

Name	Title	Years Experience	Year Joined CSWC	Relevant Experience
Priya Desai	Associate	4	2023	- Analyst at Stephens
Nicole Schneiderman	Associate	4	2026	- Associate at Gauge Capital
Sam Gambow	Associate	2	2024	- Started as Analyst at Capital Southwest
Kristen Wander	Associate	2	2024	- Started as Analyst at Capital Southwest
Tanner Wojciechowski	Analyst	2	2024	- Started as Analyst at Capital Southwest
Chris Haren	Analyst	1	2026	- New Analyst at Capital Southwest
Hunter Kadra	Analyst	1	2026	- New Analyst at Capital Southwest
Janie Tompkins	Analyst	1	2026	- New Analyst at Capital Southwest

Appendix B: Underwriting & Portfolio Management

Disciplined Investment Process: Investment Criteria

Experienced Management Team with Meaningful Equity Ownership	• Relevant experience and track record of success • Significant economic interest in the future success of the company
Sustainable Business Model	• Differentiated product and/or service that gives company a sustainable reason to exist • Leverageable cash flow with ability to maintain or grow margins
Strong Competitive Position	• Market leader, or at least a major player, in its business segments • Quantifiable competitive advantage versus their competitors with barriers to entry
Diversification of Customers and Suppliers	• Inability for any one customer to significantly affect the company's financial performance and ability to service debt • Sustainability of supply and cost of inputs
Ability of Capital Structure to Sustain Economic Cycles	• Capital structure appropriate for business model and industry • Downside scenario modeling proves ability to sustain economic cycles while servicing debt with leverage inside enterprise value
Significant Equity Value Supporting Debt	• Significant underlying equity value to support debt in capital structure

Disciplined Process: Focus on Capital Preservation

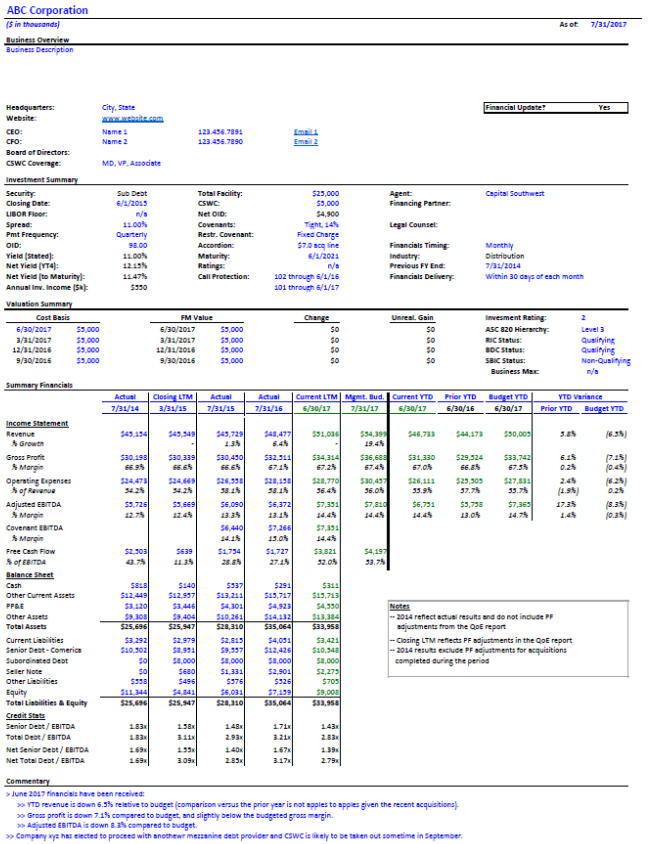
Sourcing	Initial Evaluation	Due Diligence & Underwriting	Documentation & Closing	Portfolio Management
• Extensive network of long standing private equity, intermediary, and co-lender relationships • Team effort led by senior members • Systematic CRM-driven relationship tracking • Emphasis on partnership-centric approach • Structural and size flexibility important to maintain relevance to sourcing network	• Review deal tear-sheets outlining investment theses and risks on weekly basis • Quick, thoughtful financing read to deal source • Rigorous analysis of opportunity with emphasis on downside scenario • Meet with management • Present credit case to IC; 20-30 page memo • Advance detailed term sheet	• Continuous testing of investment theses and risk mitigates • Lead or piggyback third party diligence work on accounting, legal, operations, industry, key management, and projections • Visit key locations • 30-50 page final IC memo memorializes work and findings • Diligence reputations of transaction partners • Present to IC for final approval	• Emphasis on covenants, voting rights, cash flow recapture, and incremental debt provisions • Overly borrower-friendly credit agreements will kill a deal • Team credit cycle experience critical to understanding how legal provisions are used during restructurings • Continuous communication on deal, no surprises	• Monthly meeting to review all portfolio positions • Proactive dialogue with sponsor, credit facility agent, management, and industry relationships • Board seat or observer rights on lower middle market names • Quarterly portfolio valuations and covenant reviews

Consistent, Downside-Focused, Risk-Return Centric Credit Approach

Portfolio Monitoring Process

- Team-based approach with objectives to:
  - Continually evaluate portfolio
  - Identify potential problems early
  - Prompt deal teams to proactively address issues
- Monitoring mechanisms
  - Monthly/quarterly financials
  - Regular communication with management/sponsor/agent
  - Board observation/membership rights in direct deals
- Investment team meeting
  - Review package of credit portfolio tracker reports for each investment
  - Discuss performance and issues for each deal
  - Assign follow-up duties to team overseeing struggling positions
- Assign and monitor 1 to 5 Investment Rating for each debt investment
  - 1 represents material outperformance, 5 represents material underperformance
- Senior executives will be involved day-to-day on workouts

Example Monthly Portfolio Tracker



ABC Corporation

($ in thousands) As of: 7/31/2017

Business Overview

Business Description

Headquarters:	City, State			Financial Update? Yes
Website:	www.website.com			
CEO:	Name 1	123.456.7891	Email 1	
CFO:	Name 2	123.456.7890	Email 2	
Board of Directors:				
CSWC Coverage:	MD, VP, Associate			

Investment Summary

Security:	Sub Debt	Total Facility:	$25,000	Agent:	Capital Southwest
Closing Date:	6/1/2015	CSWC:	$5,000	Financing Partner:	
LIBOR Floor:	n/a	Net OID:	$4,900	Legal Counsel:	
Spread:	11.00%	Covenants:	Tight, 14%		
Pmt Frequency:	Quarterly	Restr. Covenant:	Fixed Charge	Financials Timing:	Monthly
OID:	98.00	Accordion:	$7.0 acq line	Industry:	Distribution
Yield (Stated):	11.00%	Maturity:	6/1/2021	Previous FY End:	7/31/2014
Net Yield (YTd):	12.15%	Ratings:	n/a	Financials Delivery:	Within 30 days of each month
Net Yield (to Maturity):	11.47%	Call Protection:	102 through 6/1/16		
Annual Inv. Income ($k):	$350		101 through 6/1/17		

Valuation Summary

Cost Basis		FM Value		Change	Unreal. Gain		
6/30/2017	$5,000	6/30/2017	$5,000	$0	$0	Investment Rating:	2
3/31/2017	$5,000	3/31/2017	$5,000	$0	$0	ASC 820 Hierarchy:	Level 3
12/31/2016	$5,000	12/31/2016	$5,000	$0	$0	RIC Status:	Qualifying
9/30/2016	$5,000	9/30/2016	$5,000	$0	$0	BDC Status:	Qualifying
						SBIC Status:	Non-Qualifying
						Business Mix:	n/a

Summary Financials

	Actual 7/31/14	Closing LTM 3/31/15	Actual 7/31/15	Actual 7/31/16	Current LTM 6/30/17	Mgmt. Bud. 7/31/17	Current YTD 6/30/17	Prior YTD 6/30/16	Budget YTD 6/30/17	YTD Variance Prior YTD	YTD Variance Budget YTD
Income Statement											
Revenue	$45,154	$45,549	$45,729	$48,477	$51,036	$54,399	$46,733	$44,173	$50,005	5.8%	(6.5%)
% Growth		-	1.3%	6.4%	-	19.4%					
Gross Profit	$30,198	$30,339	$30,450	$32,511	$34,314	$36,688	$31,330	$29,524	$33,742	6.1%	(7.1%)
% Margin	66.8%	66.6%	66.6%	67.1%	67.2%	67.4%	67.0%	66.8%	67.5%	0.2%	(0.4%)
Operating Expenses	$24,473	$24,669	$24,558	$28,158	$28,770	$30,457	$26,111	$25,505	$27,881	2.4%	(6.3%)
% of Revenue	54.2%	54.2%	53.1%	58.1%	56.4%	56.0%	55.8%	57.7%	55.7%	(1.9%)	0.2%
Adjusted EBITDA	$5,726	$5,669	$6,090	$6,372	$7,351	$7,810	$6,751	$5,758	$7,365	17.3%	(8.3%)
% Margin	12.7%	12.4%	13.3%	13.1%	14.4%	14.4%	14.4%	13.0%	14.7%	1.4%	(0.3%)
Covenant EBITDA			$6,440	$7,266	$7,351						
% Margin			14.1%	15.0%	14.4%						
Free Cash Flow	$2,503	$639	$1,754	$1,727	$3,821	$4,187					
% of EBITDA	43.7%	11.3%	28.8%	27.1%	52.0%	53.7%					
Balance Sheet											
Cash	$618	$140	$597	$291	$311						
Other Current Assets	$12,449	$12,957	$13,211	$15,717	$15,713						
PP&E	$3,120	$3,446	$4,301	$4,923	$4,550						
Other Assets	$9,308	$9,404	$10,261	$14,132	$13,384						
Total Assets	$25,696	$25,947	$28,310	$35,064	$33,958						
Current Liabilities	$3,292	$2,979	$2,815	$4,051	$3,421						
Senior Debt - Comerica	$10,502	$8,951	$9,357	$12,426	$10,548						
Subordinated Debt	$0	$8,000	$8,000	$8,000	$8,000						
Seller Note	$0	$680	$1,331	$2,901	$2,275						
Other Liabilities	$558	$496	$576	$526	$705						
Equity	$11,344	$4,841	$6,081	$7,159	$9,009						
Total Liabilities & Equity	$25,696	$25,947	$28,310	$35,064	$33,958						
Credit Stats											
Senior Debt / EBITDA	1.83x	1.58x	1.48x	1.71x	1.43x						
Total Debt / EBITDA	1.83x	3.11x	2.93x	3.21x	2.83x						
Net Senior Debt / EBITDA	1.69x	1.55x	1.40x	1.67x	1.39x						
Net Total Debt / EBITDA	1.69x	3.09x	2.85x	3.17x	2.79x						

Notes

– 2014 reflect actual results and do not include PF adjustments from the QoE report

– Closing LTM reflects PF adjustments in the QoE report

– 2014 results exclude PF adjustments for acquisitions completed during the period

Commentary

> June 2017 financials have been received:

>> YTD revenue is down 6.5% relative to budget (comparison versus the prior year is not applies to apples given the recent acquisitions).

>> Gross profit is down 7.1% compared to budget, and slightly below the budgeted gross margin.

>> Adjusted EBITDA is down 8.3% compared to budget.

>> Company xyz has elected to proceed with anothewr mezzanine debt provider and CSWC is likely to be taken out sometime in September.

Valuation Process Overview



Step 1

Portfolio Review Trackers updated by Deal Teams

Step 2

Valuation Team updates valuation models and begins valuation analysis

Step 3

Valuation Team reviews preliminary internal valuation results with CFO

Step 4

3rd Party Valuation Consultants review selected investments and provide valuation ranges

Step 5

Valuation Committee Meeting (Sr. Management, Finance, Accounting, and Legal)

Step 6

Final Review and Sign-off by Valuation Committee and Auditors

Step 7

Board of Directors Risk Management Review with Chairman of Valuation Committee

Valuation Methodologies Utilized:

- DCF
- Comparable Public Companies
- Comparable Transactions
- Market Yield Pricing Analysis
- Market Quotes
- Third Party Offers
- Liquidation Value
- Option Pricing Models

Appendix C: Financial Statements

Balance Sheet

(In Thousands, except per share amounts)	Quarter Ended 12/31/2025	Quarter Ended 3/31/2026	Quarter Ended 6/30/2026	Quarter Ended 9/30/2026
Assets				
Portfolio Investments	$2,013,205	$2,097,446	$2,202,282	$2,410,129
Cash & Cash Equivalents	42,559	29,045	58,457	47,977
Restricted Cash	1,650	400	400	4,480
Other Assets	58,507	50,627	54,380	62,156
Total Assets	**$2,115,921**	**$2,177,518**	**$2,315,519**	**$2,524,742**
Liabilities				
SBA Debentures	$190,625	$217,667	$258,908	$281,664
2029 Convertible Notes	224,217	224,587	224,956	225,326
September 2030 Notes	343,640	343,971	344,308	344,645
September 2031 Notes	—	—	—	337,866
Credit Facilities	314,000	345,000	393,000	195,000
Other Liabilities	47,805	35,301	35,891	33,811
Total Liabilities	**$1,120,287**	**$1,166,526**	**$1,257,063**	**$1,418,312**
Shareholders Equity				
Net Asset Value	**$995,634**	**$1,010,992**	**$1,058,456**	**$1,106,430**
Net Asset Value per Share	**$16.75**	**$16.69**	**$16.61**	**$16.64**
Regulatory Debt to Equity	**0.89x**	**0.90x**	**0.91x**	**1.00x**

Income Statement

(In Thousands, except per share amounts)	Quarter Ended 12/31/2025	Quarter Ended 3/31/2026	Quarter Ended 6/30/2026	Quarter Ended 9/30/2026
Investment Income				
Interest Income	$48,813	$47,834	$50,466	$55,104
PIK Interest Income	4,585	3,772	4,912	4,981
Dividend Income	3,748	2,540	1,636	1,992
Fees and Other Income	4,301	3,620	4,034	5,081
Total Investment Income	**$61,447**	**$57,766**	**$61,048**	**$67,158**
Expenses				
Cash Compensation	$4,571	$767	$2,699	$3,240
Share Based Compensation	1,290	1,275	1,448	1,937
General & Administrative	2,903	3,221	3,433	3,834
Total Expenses (excluding Interest)	**$8,764**	**$5,263**	**$7,580**	**$9,011**
Interest Expense	$18,052	$17,281	$18,499	$20,981
Pre-Tax Net Investment Income	**$34,631**	**$35,222**	**$34,969**	**$37,166**
Income Tax (Expense) / Benefit	$2,354	($613)	$711	($874)
Net Investment Income	**$36,985**	**$34,609**	**$35,680**	**$36,292**
Net Realized and Unrealized Losses	($1,933)	($7,130)	($10,948)	($13,446)
Realized Loss on Extinguishment of Debt	(2,156)	—	—	(1,410)
Net increase in Net Assets Resulting from Operations	**$32,896**	**$27,479**	**$24,732**	**$21,436**
Weighted Average Basic Shares Outstanding	57,531	59,560	61,142	63,649
Pre-Tax NII Per Basic Weighted Average Share	**$0.60**	**$0.59**	**$0.57**	**$0.58**
NII per Basic Weighted Average Share	**$0.64**	**$0.57**	**$0.58**	**$0.56**
Net Increase in Net Assets Per Basic Wtd. Average Share	**$0.57**	**$0.46**	**$0.40**	**$0.33**

Portfolio Statistics

Continuing to build a well performing credit portfolio

(In Thousands)	Quarter Ended 12/31/2025	Quarter Ended 3/31/2026	Quarter Ended 6/30/2026	Quarter Ended 9/30/2026
Portfolio Statistics				
Fair Value of Debt Investments	$1,830,458	$1,916,494	$1,999,896	$2,181,508
Average Debt Investment Hold Size	$16,199	$16,960	$16,393	$16,527
Fair Value of Debt Investments as a % of Par	96%	96%	96%	95%
% of Investment Portfolio on Non-Accrual at Fair Value	1.5%	1.1%	1.1%	1.4%
Weighted Average Yield on Debt Investments	11.28%	10.81%	10.94%	10.88%
Fair Value of All Portfolio Investments	$2,013,205	$2,097,446	$2,202,282	$2,410,129
Weighted Average Yield on all Portfolio Investments	11.91%	10.88%	10.78%	11.07%
Investment Mix (Debt vs. Equity) at Fair Value	91% / 9%	91% / 9%	91% / 9%	92% / 8%

Investment Income Detail

Constructing a portfolio of investments with recurring cash yield

(In Thousands)	Quarter Ended 12/31/2025	Quarter Ended 3/31/2026	Quarter Ended 6/30/2026	Quarter Ended 9/30/2026
Investment Income Breakdown				
Cash Interest	$46,988	$45,992	$48,143	$53,095
Cash Dividends	3,748	2,541	1,636	1,992
PIK Income	4,585	3,772	4,912	4,981
Amortization of Purchase Discounts and Fees	2,568	2,223	2,625	2,704
Management/Admin Fees	637	529	597	731
Fees & Other Income	2,921	2,709	3,135	3,655
Total Investment Income	**$61,447**	**$57,766**	**$61,048**	**$67,158**
Key Metrics				
Cash Income as a % of Investment Income (1)	92.5%	93.5%	92.0%	92.6%
% of Total Investment Income that is Recurring	90.3%	91.1%	92.9%	93.4%

(1) Includes Purchase Discounts and Fees previously received in cash

Key Financial Metrics

Strong Pre-Tax Net Investment Income and Dividend Yield driven by net portfolio growth and investment performance

	Quarter Ended 12/31/2025	Quarter Ended 3/31/2026	Quarter Ended 6/30/2026	Quarter Ended 9/30/2026
Key Financial Metrics				
Pre-Tax Net Investment Income Per Wtd Avg Basic Share	$0.60	$0.59	$0.57	$0.58
Pre-Tax Net Investment Income Return on Equity (ROE) (1)	14.22%	14.02%	13.61%	13.83%
Realized Earnings Per Wtd Avg Basic Share	$0.60	$0.48	$0.57	$0.59
Realized Earnings Return on Equity (ROE) (1)	14.39%	11.59%	13.67%	14.15%
Earnings Per Wtd Avg Basic Share	$0.57	$0.46	$0.40	$0.33
Earnings Return on Equity (ROE) (1)	13.51%	10.94%	9.63%	7.97%
Regular Dividends per Share	$0.58	$0.58	$0.58	$0.58
Supplemental Dividends per Share	$0.06	$0.06	$0.06	$0.06
Total Dividends per Share	**$0.64**	**$0.64**	**$0.64**	**$0.64**

(1) Return on Equity is calculated as the quarterly annualized Pre-Tax NII, Realized Earnings, or Total Earnings, respectively, divided by equity at the end of the prior quarter

Corporate Information

Board of Directors

Inside Director
Michael S. Sarner

Independent Directors
David R. Brooks
Christine S. Battist
Jack D. Furst
William R. Thomas
Ramona Rogers-Windsor

Corporate Offices & Website

8333 Douglas Avenue
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Dallas, TX 75225
http://www.capitalsouthwest.com

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Capital Southwest
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Senior Management

Michael S. Sarner
President & Chief Executive Officer

Chris T. Rehberger
Chief Financial Officer, Secretary & Treasurer

Josh S. Weinstein
Senior Managing Director & Chief Investment Officer

Amy L. Baker
Executive Vice President of Accounting

Tabitha D. Geiger
Chief Compliance Officer

Fiscal Year End

March 31

Independent Auditor

RSM US LLP
Chicago, IL

Corporate Counsel

Eversheds Sutherland (US) LLP

Transfer Agent

Equiniti Trust Company, LLC
www.equiniti.com

Securities Listing

Nasdaq: "CSWC" (Common Stock)

Industry Analyst Coverage

Firm	Analyst	Contact Information
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Citizens JMP	Christopher Muller	Direct: 212-906-3559
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Jefferies, LLC	John Hecht	Direct: 415-229-1569
Lucid Capital Markets, LLC	Erik Zwick	Direct: 917-658-3982
Oppenheimer & Co., Inc.	Mitchel Penn	Direct: 212-667-7136
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