



Capital Southwest Corporation

*Capital Southwest Corporation
Investor Presentation*

May 2026

Important Notices

- These materials and any presentation of which they form a part are neither an offer to sell, nor a solicitation of an offer to purchase, any securities of Capital Southwest.
- These materials and the presentations of which they are a part, and the summaries contained herein, do not purport to be complete and no obligation to update or otherwise revise such information is being assumed. Nothing shall be relied upon as a promise or representation as to the future performance of Capital Southwest. Such information is qualified in its entirety by reference to the more detailed discussions contained elsewhere in Capital Southwest's public filings with the Securities and Exchange Commission (the "SEC").
- There is no guarantee that any of the estimates, targets or projections illustrated in these materials and any presentation of which they form a part will be achieved. Any references herein to any of Capital Southwest's past or present investments or its past or present performance, have been provided for illustrative purposes only. It should not be assumed that these investments were or will be profitable or that any future investments by Capital Southwest will be profitable or will equal the performance of past or present investments.
- The information contained herein has been derived from financial statements and other documents provided by Capital Southwest's portfolio companies unless otherwise stated.
- Past performance is not indicative of future results. In addition, there can be no assurance that unrealized investments will be realized at the expected multiples shown as actual realized returns will depend on, among other factors, future operating results of each of Capital Southwest's current portfolio companies, the value of the assets and economic conditions at the time of disposition, any related transaction costs, and the timing and manner of sale, all of which may differ from the assumptions on which Capital Southwest's expected returns are based. In many instances, Capital Southwest will not determine the timing or manner of sale of its portfolio companies.
- Capital Southwest has filed a registration statement (which contains the prospectus) with the SEC for any offering to which this communication may relate and may file one or more prospectus supplements to the prospectus in the future. Before you invest in any of Capital Southwest's securities, you should read the registration statement and the applicable prospectus and prospectus supplement(s), including the information incorporated by reference therein, in order to fully understand all of the implications and risks of an offering of Capital Southwest's securities. You should also read other documents Capital Southwest has filed with the SEC for more complete information about Capital Southwest and any offering of its securities. You may get these documents for free by visiting EDGAR on the SEC's website at www.sec.gov. Alternatively, Capital Southwest will arrange to send you any applicable prospectus and prospectus supplement(s) if you request such materials by calling us at (214) 238-5700. These materials are also made available, free of charge, on our website at www.capitalsouthwest.com. Information contained on our website is not incorporated by reference into this communication.

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 (including statements about expected improvements to Capital Southwest's operating leverage as well as asset growth), 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
- 39 employees based in Dallas, Texas
- Total Balance Sheet Assets of \$2.2 B as of March 31, 2026
- Operate Capital Southwest SBIC I, LP and Capital Southwest SBIC II, LP as wholly-owned subsidiaries
- Manage CapTrin Partners SPV, LLC (“Joint Venture”) in partnership with Trinity Capital Inc. (Nasdaq: “TRIN”)
- 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



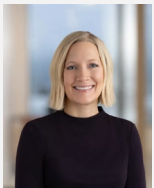
- Joined Capital Southwest in June 2015
- Former SVP Treasurer at American Capital
- 30+ years of financial, treasury and BDC experience
- BA – James Madison | MBA – George Washington University

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



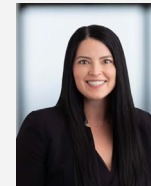
- Joined Capital Southwest in August 2017
- Former Assistant Controller at MoneyGram and former Senior Manager at Deloitte
- 20+ years of accounting experience
- BS – University of Illinois | MSA – University of Illinois
- Certified Public Accountant

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 \$4.1 B in 194 middle-market portfolio companies
 - ✓ 113 portfolio company exits generating proceeds of \$1.4 B and a weighted average IRR of 12.8%
- **CapTrin Partners, LLC**: Formed Joint Venture in partnership with Trinity Capital Inc. (Nasdaq: “TRIN”) in 3/31/26 quarter
 - ✓ Invests primarily in first-out senior secured debt opportunities in the lower middle market
 - ✓ Subsequent to the 3/31/26 quarter, closed \$150 MM Credit Facility for Joint Venture
- **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 ~\$1.9 Bn of debt capital over last 10 years
 - ✓ Current capital structure consists of –
 - ❖ \$510 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”)
- **Equity Capital**: Cumulatively raised over \$966 MM of equity capital over last 10 years
 - ✓ Raised \$907 MM in gross proceeds at an average price of \$21.60 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
- **SBIC II**: Received \$90 MM in leverage commitments from the SBA
- **Investment Grade Credit Rating**: Baa3 rating from Moody’s and BBB- from Fitch
- **Strong Value Creation**: Cumulative value creation of \$20.27 per share (Net Asset Value + Cumulative Dividends Paid) since 9/30/2015 spin-off
- **Strong Wall Street Following**: Active research coverage from eight firms

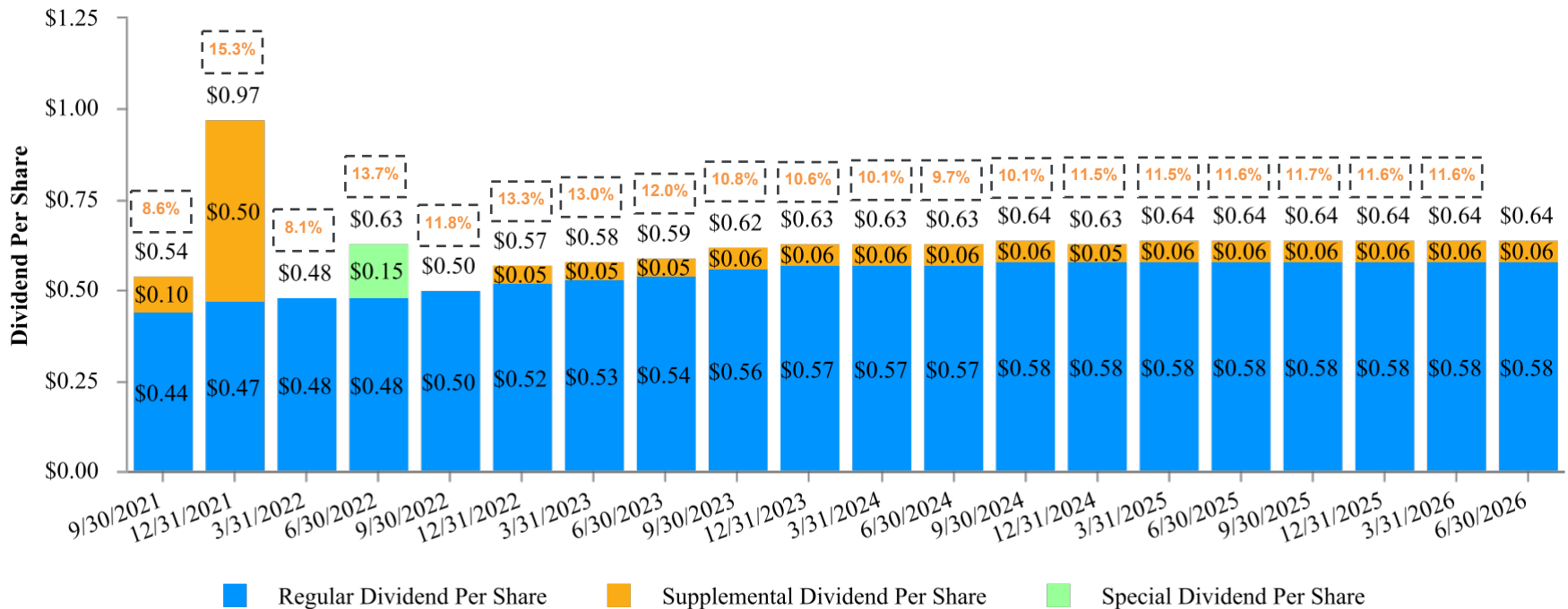
Q4 2026 Highlights

Financial Highlights

- Q4 2026 Pre-Tax Net Investment Income (“NII”) of \$35.2 MM or \$0.59 per share
- Declared a quarterly regular dividend of \$0.58 per share, of which \$0.1934 per share will be paid monthly for each of April, May, and June 2026
 - In addition, declared a quarterly supplemental dividend of \$0.06 per share for the quarter ending June 30, 2026
- Increased Undistributed Taxable Income (“UTI”) to \$1.07 per share as of March 31, 2026 from \$1.02 per share as of December 31, 2025
- Investment Portfolio at Fair Value of approximately \$2.1 B
- Net Asset Value per share of \$16.69 as of March 31, 2026
- Raised \$25.5 MM in gross proceeds through Equity ATM Program during the quarter
 - Sold shares at weighted-average price of \$23.13 per share, or 138% of the prevailing NAV per share
- Formed Joint Venture in partnership with Trinity Capital Inc. (Nasdaq: “TRIN”) that will invest primarily in first-out senior secured debt opportunities in the lower middle market
 - Subsequent to quarter end, closed \$150.0 MM Credit Facility for Joint Venture
- Regulatory Debt to Equity ended at 0.90x for the quarter
- \$364 MM of total availability under credit facilities, \$42 MM available on SBA leverage commitment to SBIC II, and \$29 MM in cash and cash equivalents as of quarter end

Track Record of Consistent Dividends Continues

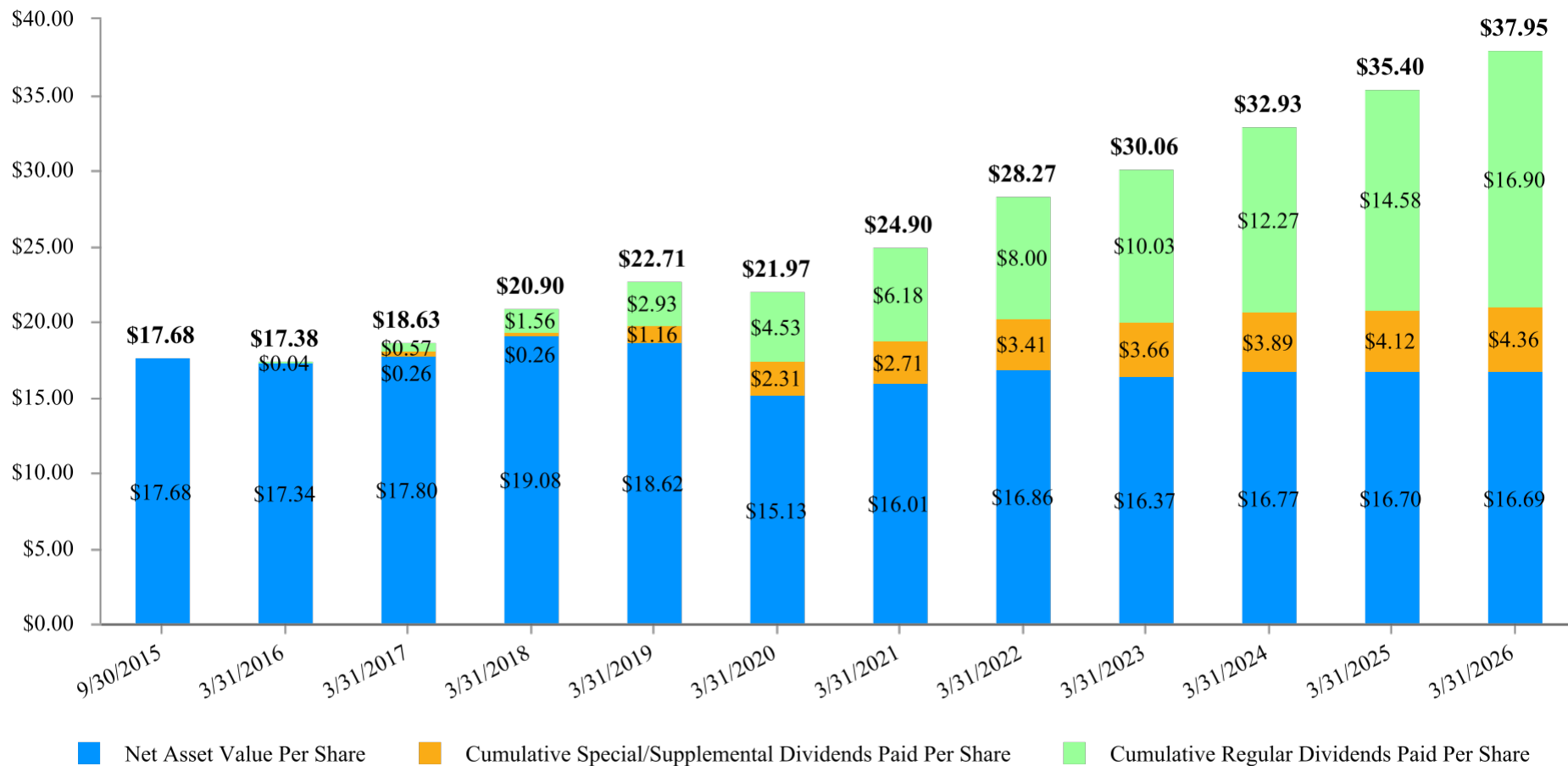
- In the last twelve months ended 3/31/2026, CSWC generated \$2.39 per share in Pre-Tax NII and paid out \$2.32 per share in Regular Dividends
- Cumulative Pre-Tax NII Regular Dividend Coverage of 109% since launch of credit strategy in 2015
- Total of \$4.42 per share Special and Supplemental Dividends declared since launch of credit strategy in 2015
- Estimated UTI of \$1.07 per share as of March 31, 2026



Dividend Yield – Quarterly Annualized Total Dividend / CSWC Share Price at Qtr. End

History of Value Creation

Total Value (Net Asset Value + Cumulative Dividends Paid) Increase of \$20.27 per share since Launching Credit Strategy



Q4 2026 Investment Activity

Investment Activity Highlights

- During the quarter, CSWC originated \$157.7 MM in total new committed investments (\$111.3 MM funded at close) to five new portfolio companies and twelve existing portfolio companies
 - Committed investments to new portfolio companies consisted of \$112.3 MM in first lien debt and \$1.8 MM in equity
- During the quarter, CSWC exited five debt investments and three equity investments generating total proceeds of \$57.7 MM
 - Total proceeds were comprised of \$49.9 MM from debt investments and \$7.8 MM from equity investments
- In the last twelve months, CSWC originated \$762.3 MM in total new committed investments and generated \$252.6 MM in proceeds from portfolio investment exits
 - In the last twelve months, CSWC has generated net realized gains of \$36.9 MM on exits of equity investments
- Cumulative weighted average IRR of 12.8% on 113 portfolio company exits, generating \$1.4 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)	12/31/2025	3/31/2026
	Total CSWC Portfolio	Total CSWC Portfolio
Number of Portfolio Companies	132	131
Total Cost	\$2,031,166	\$2,119,485
Total Fair Value	\$2,013,205	\$2,097,446
Average Hold Size Debt Investments (at Fair Value)	\$16,199	\$16,960
Average Hold Size Equity Investments (at Fair Value)	\$2,101	\$2,080
% First Lien Investments (at Fair Value)	90.0%	90.1%
% Second Lien Investments (at Fair Value)	0.8%	1.2%
% Subordinated Debt Investments (at Fair Value)	0.1%	0.1%
% Equity (at Fair Value) ⁽¹⁾	9.1%	8.6%
Wtd. Avg. Yield on Debt Investments ⁽²⁾	11.3%	10.8%
Wtd. Avg. Yield on Total Investments ⁽³⁾	11.9%	10.9%
Wtd. Avg. EBITDA of Issuer (\$MM's) ⁽⁴⁾	\$16.1	\$15.7
Wtd. Avg. Leverage through CSWC Security ⁽⁵⁾	3.6x	3.6x

(1) At March 31, 2026 and December 31, 2025, we had equity ownership in approximately 66% and 66%, respectively, of our investments

(2) The weighted-average annual effective yields were computed using the effective interest rates during the quarter for all debt investments at cost as of March 31, 2026, including accretion of original issue discount but excluding fees payable upon repayment of the debt instruments

(3) 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

(4) Includes CSWC debt investments only. Weighted average EBITDA metric is calculated using investment cost basis weighting. For the quarters ended March 31, 2026 and December 31, 2025, ten portfolio companies and fourteen portfolio companies, respectively, are excluded from this calculation due to a reported debt to adjusted EBITDA ratio that was not meaningful.

(5) 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 March 31, 2026 and December 31, 2025, ten portfolio companies and fourteen 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 88% of all debt investments are currently rated a "1" or "2" as credit portfolio continues to demonstrate solid performance

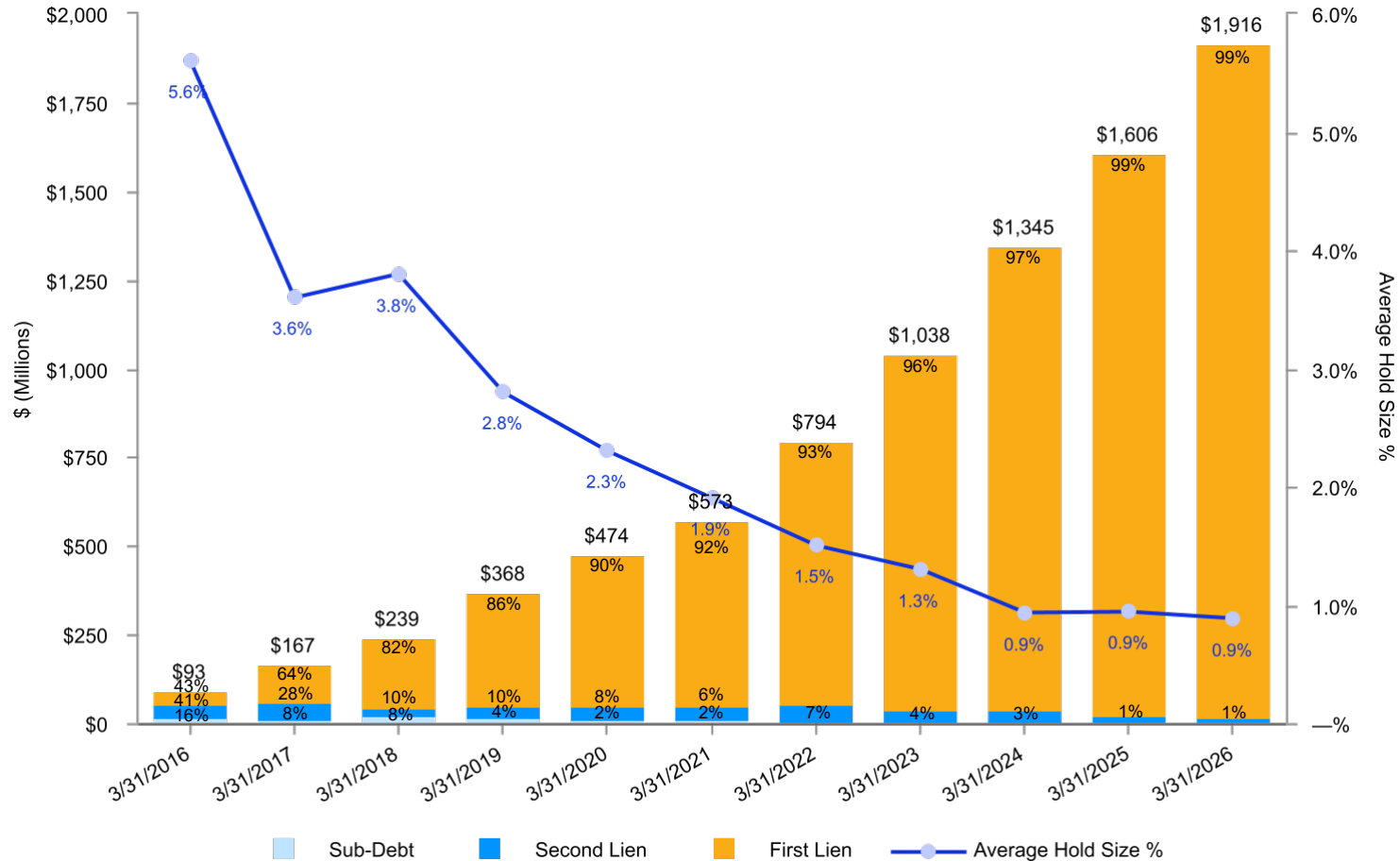
Investment Rating	12/31/2025			3/31/2026		
	# of Companies	Fair Value (\$MM)	% of Portfolio (FV)	# of Companies	Fair Value (\$MM)	% of Portfolio (FV)
1	17	\$328.4	17.9%	18	\$361.2	18.8%
2	77	\$1,314.2	71.8%	76	\$1,320.8	68.9%
3	14	\$158.3	8.7%	15	\$207.1	10.8%
4	4	\$25.8	1.4%	3	\$25.1	1.3%
5	1	\$3.8	0.2%	1	\$2.3	0.1%
Total	113	\$1,830.5	100.0%	113	\$1,916.5	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 0.9% as of 3/31/2026

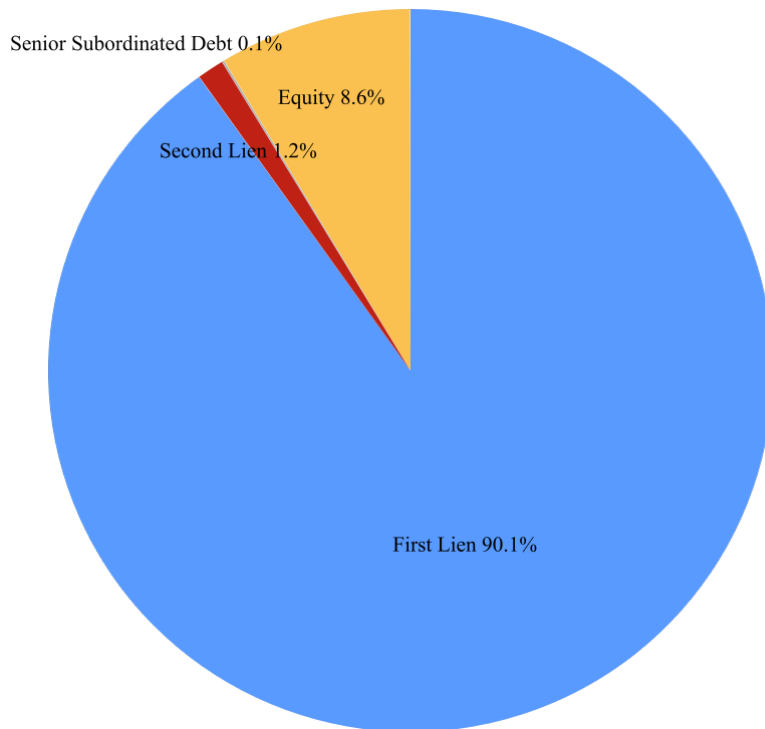
Credit Portfolio Heavily Weighted to First Lien



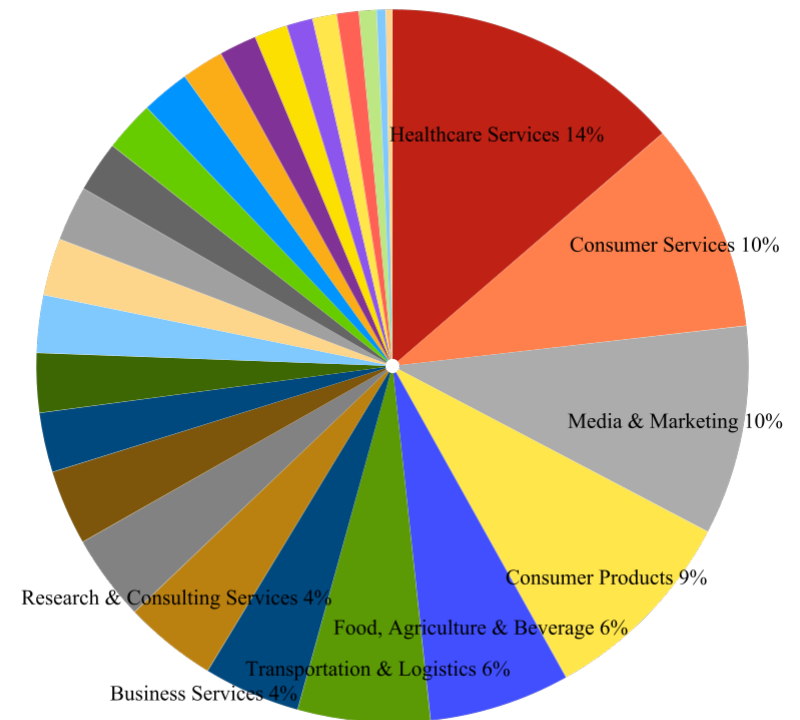
CSWC Portfolio Mix as of March 31, 2026 at Fair Value

Current Investment Portfolio of approximately \$2.1 B continues to be heavily weighted towards first lien loans and diversified across industries

Current Investment Portfolio (By Type)



Current Investment Portfolio (By Industry)



Note: Equity represents equity co-investments across 87 portfolio companies.

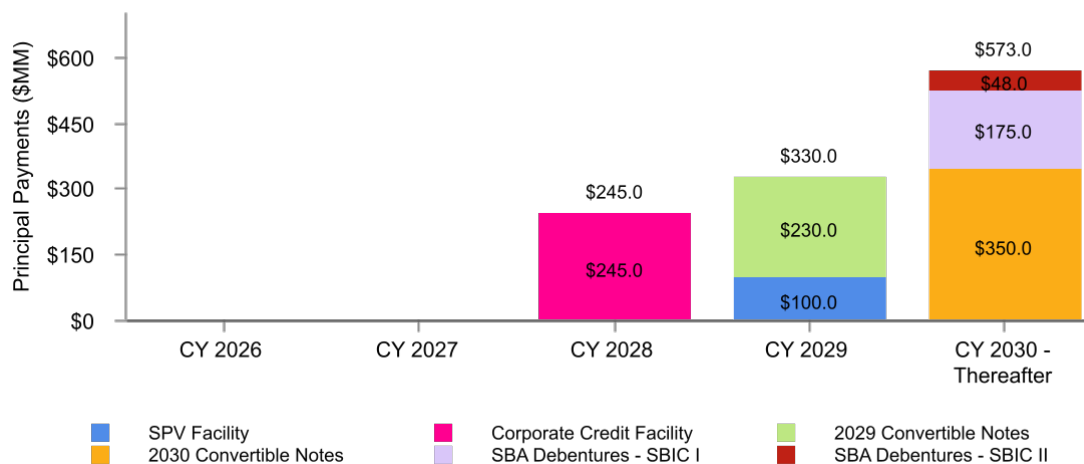
CSWC Capitalization

- \$510 MM Credit Facility: led by ING Capital (eleven banks)
 - \$245 MM drawn as of 3/31/26
 - Matures August 2028; Adjusted Term SOFR + 215
- \$200 MM CSWC SPV Credit Facility: led by Deutsche Bank
 - \$100 MM drawn as of 3/31/26
 - Matures March 2029; Term SOFR + 250
- SBIC I: \$175 MM Leverage Commitment
 - \$175 MM in Debentures drawn as of 3/31/26
 - Current regulations permit SBIC I to borrow up to \$175 MM in SBA Debentures
- SBIC II: \$90 MM Leverage Commitment
 - \$48 MM in Debentures drawn as of 3/31/26
 - Current regulations permit SBIC II to borrow up to \$175 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
- Balance Sheet Cash: Approximately \$29 MM as of 3/31/26
- Regulatory Leverage (Debt/Equity): 0.90x as of 3/31/26

Significant Unused Debt Capacity with Long-Term Duration

Debt Obligations	Total Commitments	Interest Rate	Maturity	Principal Drawn	Undrawn Commitment
Corporate Credit Facility	\$510.0 MM	Term SOFR + 2.15%	August 2028	\$245.0 MM	\$264.1 MM ⁽¹⁾
SPV Credit Facility	\$200.0 MM	Term SOFR + 2.50%	March 2029	\$100.0 MM	\$100.0 MM
2029 Convertible Notes ⁽²⁾	\$230.0 MM	5.125%	November 2029	\$230.0 MM	N/A
September 2030 Notes ⁽³⁾	\$350.0 MM	5.950%	September 2030	\$350.0 MM	N/A
SBA Debentures - SBIC I ⁽⁴⁾	\$175.0 MM	4.42% ⁽⁵⁾	September 2031 ⁽⁶⁾	\$175.0 MM	\$0.0 MM
SBA Debentures - SBIC II ⁽⁴⁾	\$90.0 MM	4.90% ⁽⁷⁾	March 2036 ⁽⁸⁾	\$48.0 MM	\$42.0 MM

Long-Term Debt Obligations (Calendar Year)



(1) Net of \$0.9 MM in letters of credit outstanding

(2) 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

(3) 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

(4) Current statutes and regulations permit SBIC I and SBIC II to borrow up to \$175 million in SBA Debentures, subject to SBA approval

(5) Weighted average interest rate of all SBA Debentures for SBIC I for the three months ended March 31, 2026

(6) First SBA Debentures for SBIC I mature on September 1, 2031

(7) Weighted average interest rate of all SBA Debentures for SBIC II for the three months ended March 31, 2026

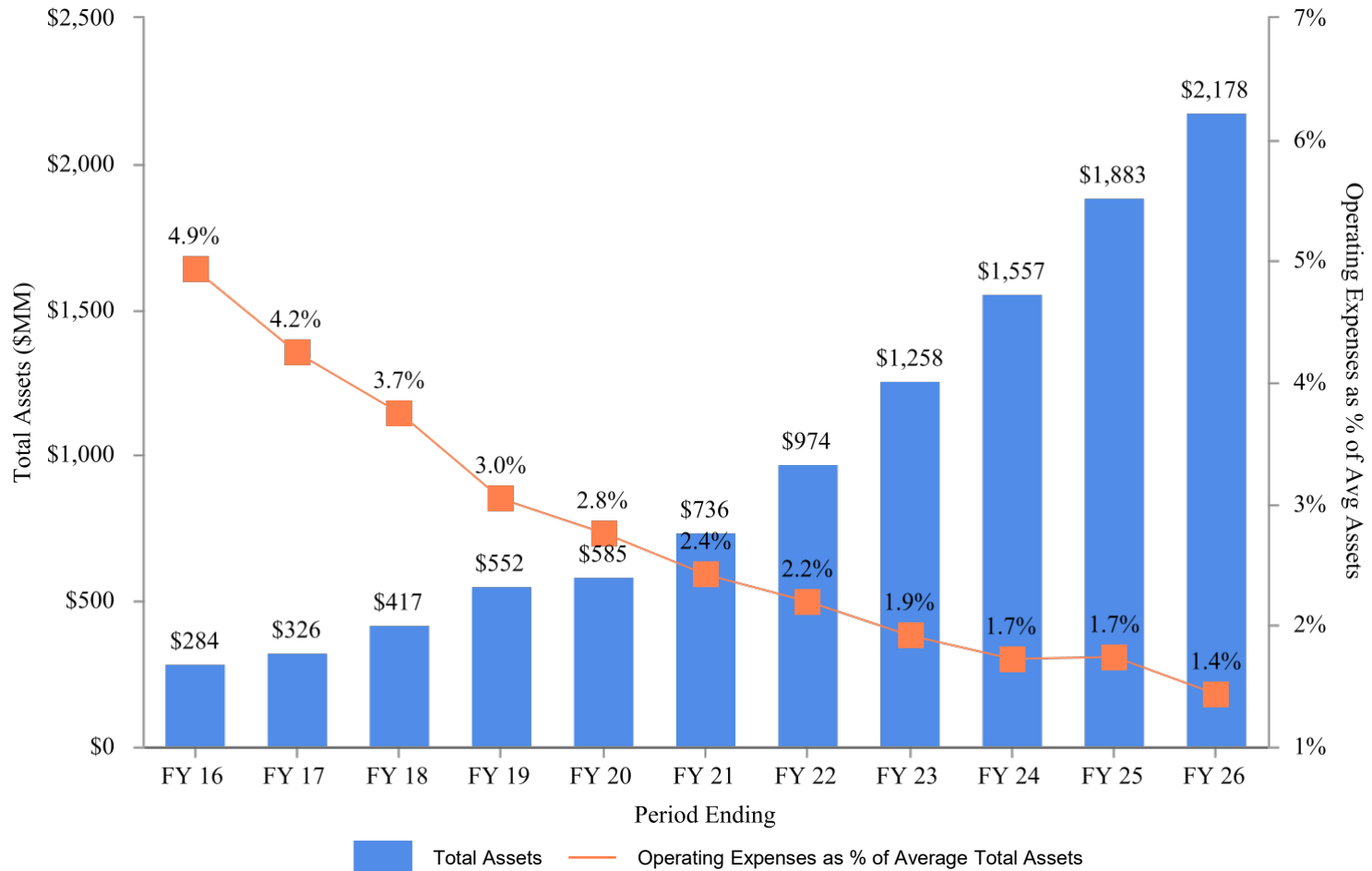
(8) First SBA Debentures for SBIC II mature on March 1, 2036

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 3/31/26 compares favorably to BDC industry average of approximately 2.6%.
- 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

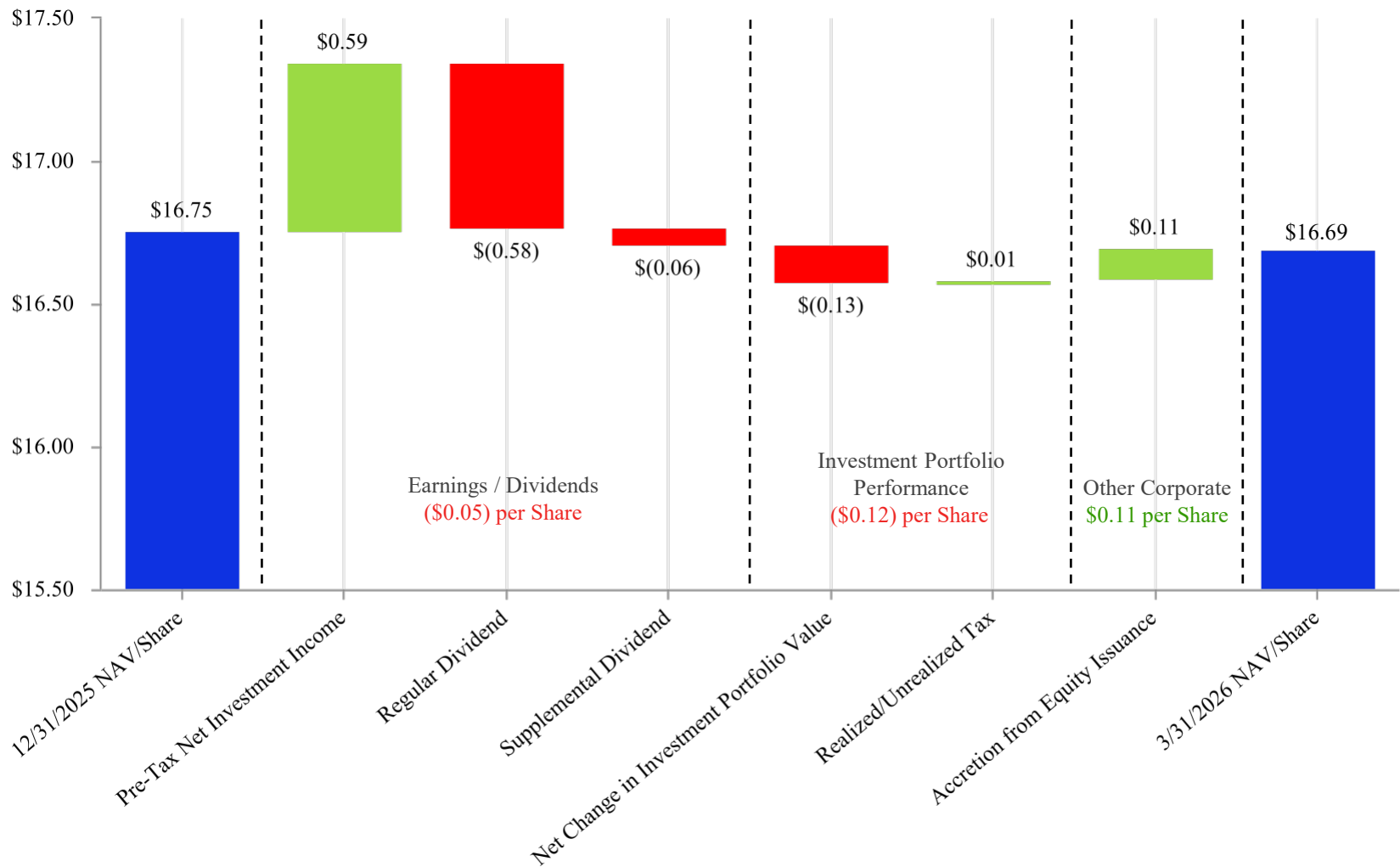
Operating Leverage Trend

Operating Leverage declined to 1.4% from 1.7% during Fiscal Year 2026



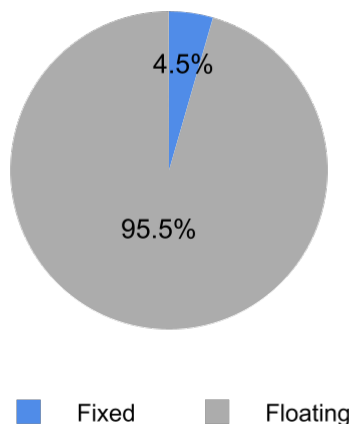
Note: Operating Leverage calculated as last twelve months operating expenses (excluding interest expense) divided by average annual assets

NAV per Share Bridge for Quarter Ended 03/31/26



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)
(75 bps)	(11,380,739)	(0.19)
(50 bps)	(7,587,159)	(0.13)
(25 bps)	(3,793,580)	(0.06)
25 bps	3,793,580	0.06
50 bps	7,587,159	0.13
75 bps	11,380,739	0.19

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. 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.

Appendix A: Investment Team

Investment Team with Strong Credit Experience

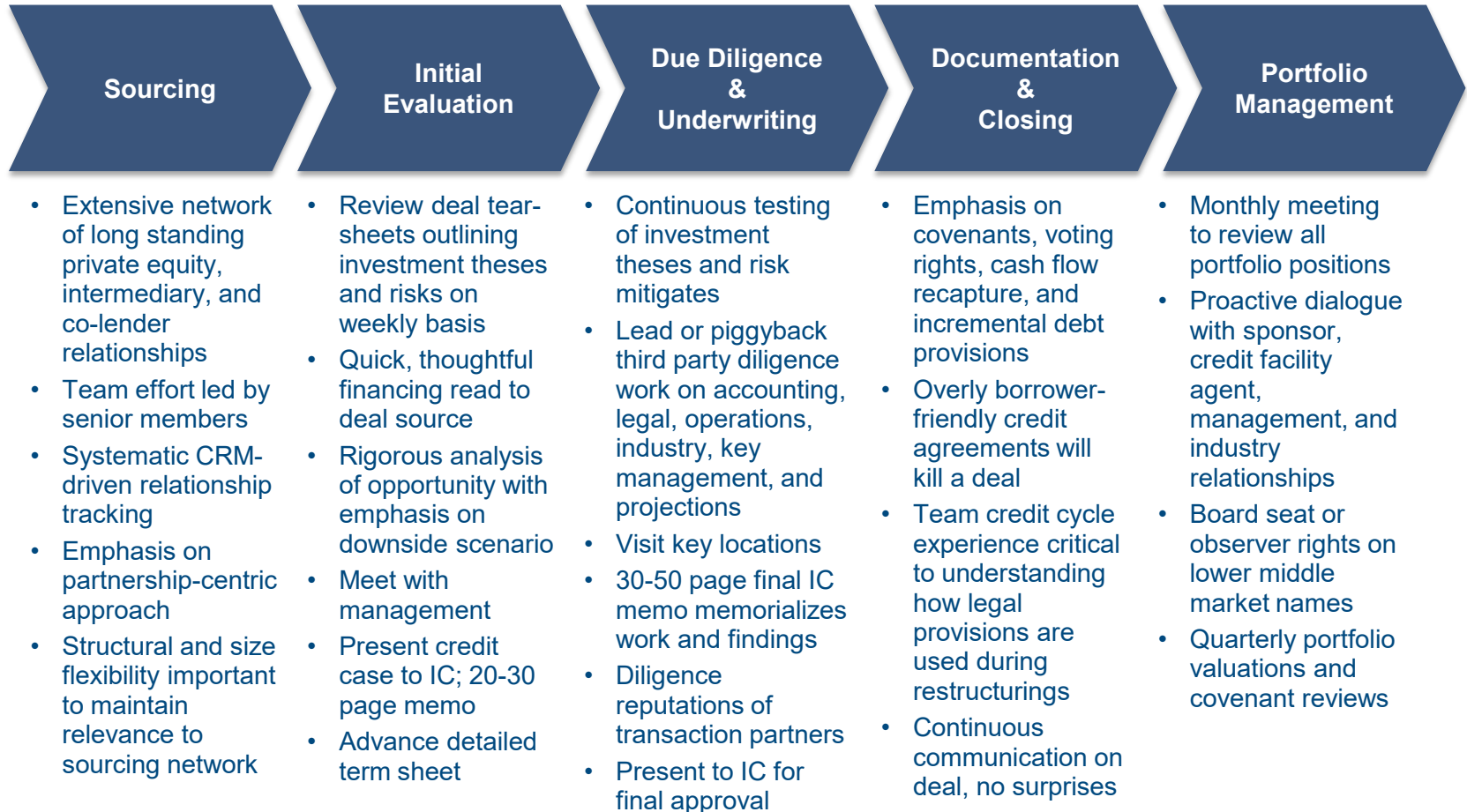
Name	Title	Years Experience	Year Joined CSWC	Relevant Experience
Michael Sarner	President / Chief Executive Officer	31	2015	- Senior Vice President of Treasury at American Capital - Investment Committee Member since 2015
Josh Weinstein	Senior Managing Director / Chief Investment Officer	25	2015	- Principal 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
Will Riley	Principal	8	2019	- Associate at PricewaterhouseCoopers
Matthew Silvey	Principal	9	2023	- Sr Associate at Stellus Management
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
Priya Desai	Associate	4	2023	- Analyst at Stephens
Rohan John	Associate	3	2025	- Associate at StepStone Group
Sam Gambow	Associate	2	2024	- New Analyst at Capital Southwest
Kristen Wander	Associate	2	2024	- New Analyst at Capital Southwest
Tanner Wojciechowski	Analyst	2	2024	- New Analyst at Capital Southwest

Appendix B: Underwriting & Portfolio Management

Disciplined Investment Process: Investment Criteria

Experienced Management Team with Meaningful Equity Ownership	<ul style="list-style-type: none">• Relevant experience and track record of success• Significant economic interest in the future success of the company
Sustainable Business Model	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Significant underlying equity value to support debt in capital structure

Disciplined Process: Focus on Capital Preservation



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: Email.1
COO: Name 2 123.456.7890 Email: Email.2

Board of Directors: 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		
Spread:	11.50%	Covenants:	Tight, L&S	Legal Counsel:	
Pmt Frequency:	Quarterly	Restr. Covenant:	Fixed Charge	Financials Timing:	Monthly
OID:	\$0.00	Accrual:	\$7.0 acc line	Industry:	Distribution
Yield (Stated):	11.50%	Maturity:	6/1/2021	Previous FY End:	7/31/2014
Net Yield (YTM):	12.15%	Ratings:	n/a	Financials Delivery:	Within 30 days of each month
Net Yield (to Maturity):	11.47%	Call Protection:	102 through 6/1/14 101 through 6/1/17		
Annual Inv. Income (\$):	2,500				

Valuation Summary

Cost Basis	FM Value	Change	Unreal. Gain	Investment Rating:	2
6/30/2017 \$5,000	6/30/2017 \$5,000	\$0	\$0	ASC E2D Hierarchy:	Level 3
3/31/2017 \$5,000	3/31/2017 \$5,000	\$0	\$0	BIC Status:	Qualifying
12/31/2016 \$5,000	12/31/2016 \$5,000	\$0	\$0	SBC Status:	Qualifying
9/30/2016 \$5,000	9/30/2016 \$5,000	\$0	\$0	SBC Status:	Non-Qualifying
				Business Mat:	n/a

Summary Financials

	Actual	Closing LTM	Actual	Actual	Current LTM	Mgmt. Bud.	Current YTD	Prior YTD	Budget YTD	YTD Variance	
	7/31/14	3/31/15	7/31/15	7/31/16	6/30/17	7/31/17	6/30/17	6/30/16	6/30/17	Prior YTD	Budget YTD
Income Statement											
Revenue	\$45,154	\$45,549	\$45,729	\$46,477	\$51,091	\$56,399	\$56,793	\$44,173	\$50,005	5.8%	(6.5%)
% Growth	-	-	2.3%	6.4%	-	29.4%	-	-	-	-	-
Gross Profit	\$30,189	\$30,339	\$30,420	\$32,311	\$34,314	\$36,668	\$35,330	\$29,524	\$33,742	6.1%	(7.1%)
% Margin	66.9%	66.6%	66.5%	69.3%	67.2%	67.2%	67.0%	66.8%	67.5%	0.2%	(0.4%)
Operating Expenses	\$14,871	\$14,669	\$14,959	\$14,159	\$16,775	\$19,007	\$16,111	\$12,505	\$12,831	2.4%	(6.3%)
% of Revenue	34.2%	34.2%	34.1%	30.1%	32.6%	34.4%	33.8%	30.7%	31.7%	(1.8%)	0.2%
Adjusted EBITDA	\$5,724	\$5,669	\$6,090	\$6,372	\$7,311	\$7,810	\$6,791	\$5,799	\$7,385	17.8%	(8.8%)
% Margin	12.7%	12.4%	13.3%	13.7%	14.4%	14.4%	14.4%	13.0%	14.7%	1.4%	(0.3%)
Covered EBITDA			\$6,440	\$7,244	\$7,351						
% Margin			14.1%	15.6%	14.4%						
Free Cash Flow	\$1,503	\$639	\$1,794	\$1,727	\$3,821	\$4,197	\$4,197				
% of EBITDA	48.7%	11.3%	28.8%	27.1%	52.0%	52.7%	52.7%				
Balance Sheet											
Cash	\$618	\$140	\$537	\$291	\$311	\$311					
Other Current Assets	\$12,449	\$12,977	\$13,111	\$15,717	\$15,713						
PP&E	\$3,120	\$3,444	\$4,301	\$4,923	\$4,700						
Other Assets	\$9,302	\$9,402	\$10,381	\$14,132	\$13,384						
Total Assets	\$24,489	\$25,967	\$28,330	\$35,064	\$33,968						
Current Liabilities	\$8,291	\$2,979	\$2,815	\$4,051	\$3,421						
Senior Debt - Comerica	\$10,302	\$8,951	\$9,557	\$12,424	\$10,343						
Subordinated Debt	\$0	\$8,000	\$8,000	\$8,000	\$8,000						
Senior Note	\$0	\$500	\$4,351	\$4,901	\$4,375						
Other Liabilities	2,553	2,488	2,578	2,528	2,705						
Equity	\$16,198	\$24,988	\$25,515	\$21,009	\$29,000						
Total Liabilities & Equity	\$24,489	\$25,967	\$28,330	\$35,064	\$33,968						
Credit Stats											
Senior Debt / EBITDA	1.83x	1.56x	1.48x	1.71x	1.43x						
Total Debt / EBITDA	1.83x	1.16x	1.29x	1.21x	1.39x						
Net Senior Debt / EBITDA	1.69x	1.55x	1.40x	1.67x	1.39x						
Net Total Debt / EBITDA	1.69x	1.09x	1.25x	1.17x	1.29x						

Commentary

>> June 2017 financials have been received:
 >> YTD revenue is down 4.2% relative to budget (comparison versus the prior year is not apples 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 8.8% compared to budget.
 >> Company is expected to proceed with another 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

<i>(In Thousands, except per share amounts)</i>	Quarter Ended 6/30/2025	Quarter Ended 9/30/2025	Quarter Ended 12/31/2025	Quarter Ended 3/31/2026
Assets				
Portfolio Investments	\$1,780,198	\$1,877,907	\$2,013,205	\$2,097,446
Cash & Cash Equivalents	46,889	87,429	42,559	29,045
Restricted Cash	1,650	1,650	1,650	400
Other Assets	53,675	54,338	58,507	50,627
Total Assets	\$1,882,412	\$2,021,324	\$2,115,921	\$2,177,518
Liabilities				
SBA Debentures	\$171,115	\$170,912	\$190,625	\$217,667
October 2026 Notes	149,038	149,231	—	—
August 2028 Notes	70,320	70,446	—	—
2029 Convertible Notes	223,477	223,847	224,217	224,587
September 2030 Notes	—	343,322	343,640	343,971
Credit Facilities	312,000	77,000	314,000	345,000
Other Liabilities	39,988	39,562	47,805	35,301
Total Liabilities	\$965,938	\$1,074,320	\$1,120,287	\$1,166,526
Shareholders Equity				
Net Asset Value	\$916,474	\$947,004	\$995,634	\$1,010,992
Net Asset Value per Share	\$16.59	\$16.62	\$16.75	\$16.69
Regulatory Debt to Equity	0.82x	0.91x	0.89x	0.90x

Income Statement

<i>(In Thousands, except per share amounts)</i>	Quarter Ended 6/30/2025	Quarter Ended 9/30/2025	Quarter Ended 12/31/2025	Quarter Ended 3/31/2026
Investment Income				
Interest Income	\$47,115	\$48,258	\$48,813	\$47,834
PIK Interest Income	3,260	2,794	4,585	3,772
Dividend Income	3,677	2,742	3,748	2,540
Fees and Other Income	1,895	3,151	4,301	3,620
Total Investment Income	\$55,947	\$56,945	\$61,447	\$57,766
Expenses				
Cash Compensation	\$3,956	\$2,631	\$4,571	\$767
Share Based Compensation	1,143	1,270	1,290	1,275
General & Administrative	2,867	3,007	2,903	3,221
Total Expenses (excluding Interest)	\$7,966	\$6,908	\$8,764	\$5,263
Interest Expense	\$15,264	\$16,020	\$18,052	\$17,281
Pre-Tax Net Investment Income	\$32,717	\$34,017	\$34,631	\$35,222
Income Tax (Expense) / Benefit	(\$828)	(\$2,033)	\$2,354	(\$613)
Net Investment Income	\$31,889	\$31,984	\$36,985	\$34,609
Net Realized and Unrealized Losses	(\$4,888)	(\$6,365)	(\$1,933)	(\$7,130)
Realized Loss on Extinguishment of Debt	—	—	(2,156)	—
Net increase in Net Assets Resulting from Operations	\$27,001	\$25,619	\$32,896	\$27,479
Weighted Average Basic Shares Outstanding	53,517	55,544	57,531	59,560
Pre-Tax NII Per Basic Weighted Average Share	\$0.61	\$0.61	\$0.60	\$0.59
NII per Basic Weighted Average Share	\$0.59	\$0.57	\$0.64	\$0.57
Net Increase in Net Assets Per Basic Wtd. Average Share	\$0.50	\$0.46	\$0.57	\$0.46

Portfolio Statistics

Continuing to build a well performing credit portfolio

<i>(In Thousands)</i>	Quarter Ended 6/30/2025	Quarter Ended 9/30/2025	Quarter Ended 12/31/2025	Quarter Ended 3/31/2026
Portfolio Statistics				
Fair Value of Debt Investments	\$1,613,985	\$1,706,251	\$1,830,458	\$1,916,494
Average Debt Investment Hold Size	\$14,807	\$15,372	\$16,199	\$16,960
Fair Value of Debt Investments as a % of Par	96%	96%	96%	96%
% of Investment Portfolio on Non-Accrual at Fair Value	0.8%	1.0%	1.5%	1.1%
Weighted Average Yield on Debt Investments	11.83%	11.54%	11.28%	10.81%
Fair Value of All Portfolio Investments	\$1,780,198	\$1,877,907	\$2,013,205	\$2,097,446
Weighted Average Yield on all Portfolio Investments	12.16%	12.00%	11.91%	10.88%
Investment Mix (Debt vs. Equity) at Fair Value	91% / 9%	91% / 9%	91% / 9%	91% / 9%

Investment Income Detail

Constructing a portfolio of investments with recurring cash yield

<i>(In Thousands)</i>	Quarter Ended 6/30/2025	Quarter Ended 9/30/2025	Quarter Ended 12/31/2025	Quarter Ended 3/31/2026
Investment Income Breakdown				
Cash Interest	\$44,689	\$46,823	\$46,988	\$45,992
Cash Dividends	3,677	2,742	3,748	2,541
PIK Income	3,260	2,794	4,585	3,772
Amortization of Purchase Discounts and Fees	2,712	2,053	2,568	2,223
Management/Admin Fees	525	584	637	529
Fees & Other Income	1,084	1,949	2,921	2,709
Total Investment Income	\$55,947	\$56,945	\$61,447	\$57,766
Key Metrics				
Cash Income as a % of Investment Income ⁽¹⁾	94.2%	95.1%	92.5%	93.5%
% of Total Investment Income that is Recurring	94.6%	91.9%	90.3%	91.1%

(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 6/30/2025	Quarter Ended 9/30/2025	Quarter Ended 12/31/2025	Quarter Ended 3/31/2026
Key Financial Metrics				
Pre-Tax Net Investment Income Per Wtd Avg Basic Share	\$0.61	\$0.61	\$0.60	\$0.59
Pre-Tax Net Investment Income Return on Equity (ROE) ⁽¹⁾	14.59%	14.57%	14.22%	14.02%
Realized Earnings Per Wtd Avg Basic Share	\$0.88	\$0.48	\$0.60	\$0.48
Realized Earnings Return on Equity (ROE) ⁽¹⁾	21.22%	11.59%	14.39%	11.59%
Earnings Per Wtd Avg Basic Share	\$0.50	\$0.46	\$0.57	\$0.46
Earnings Return on Equity (ROE) ⁽¹⁾	12.04%	10.97%	13.51%	10.94%
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. Sarnar

Independent Directors

David R. Brooks

Christine S. Battist

Jack D. Furst

William R. Thomas

Ramona Rogers-Windsor

Corporate Offices & Website

8333 Douglas Avenue

Suite 1100

Dallas, TX 75225

<http://www.capitalsouthwest.com>

Investor Relations

Michael S. Sarnar

Capital Southwest

214-884-3829

msarnar@capitalsouthwest.com

Senior Management

Michael S. Sarnar

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
B. Riley Securities	Sean-Paul Adams	Direct: 415-229-4851
Citizens JMP	Brian McKenna	Direct: 585-217-7407
Clear Street LLC	Mickey Schleien	Direct: 646-290-6794
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
Raymond James & Associates	Robert Dodd	Direct: 901-579-4560
UBS Securities, LLC	Douglas Harter	Direct: 212-882-0080