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Main Street Announces Exit of Portfolio Investment

Generates \$10.3 Million Realized Gain From Exit of Investments in CAI Software, LLC

HOUSTON, Dec. 21, 2021 /PRNewswire/ -- Main Street Capital Corporation (NYSE: MAIN) ("Main Street") is pleased to announce that it recently exited its debt and equity investments in CAI Software, LLC ("CAI" or the "Company") upon the recapitalization of CAI to a technology-focused financial acquirer. Founded in 1978 and headquartered in Smithfield, Rhode Island, CAI is a leader in the delivery of mission-critical enterprise resource planning (ERP), manufacturing execution systems (MES), and warehouse management systems (WMS) software and related services with industry expertise in niche sectors including seafood and other food processing and distribution, millwork, lumber and other building materials, precious metal refining and jewelry manufacturing.

Main Street, along with its co-investor and in support of a financial sponsor, other equity co-investors and management, made its initial investment in CAI in October 2014, with Main Street's investment consisting of a \$5.4 million first lien, senior secured debt investment and a direct equity investment of \$0.7 million. After its initial investment, Main Street's investments grew to total debt investments of \$67.7 million and total equity investments of \$2.1 million as Main Street made several additional follow-on investments in CAI, initially to support the Company's acquisition growth strategy, ongoing operations and other growth initiatives, and later to facilitate a recapitalization of the Company's capital structure. Over the course of Main Street's investment, and under the guidance of new senior leadership, the Company successfully completed five subsequent acquisitions, expanding the Company's software product offerings and adding significant scale and diversity to the Company's revenues.

Main Street realized a gain of \$10.3 million on the exit of its equity investments in CAI and received total dividends of \$2.6 million over the investment period. As a result, on a cumulative basis since Main Street's initial investment in CAI in October 2014, Main Street realized an annual internal rate of return of 54.1% and a 7.1 times money invested return on its equity investments in CAI. On a cumulative basis including both Main Street's debt and equity investments in CAI, Main Street realized an annual internal rate of return of 16.9% and a 1.5 times money invested return. This realized value includes \$1.8 million in equity value that Main Street received in a minority equity ownership position in the acquirer as part of the transaction.

ABOUT MAIN STREET CAPITAL CORPORATION

Main Street (www.mainstcapital.com) is a principal investment firm that primarily provides long-term debt and equity capital to lower middle market companies and debt capital to middle market companies. Main Street's portfolio investments are typically made to support management buyouts, recapitalizations, growth financings, refinancings and acquisitions of companies that operate in diverse industry sectors. Main Street seeks to partner with entrepreneurs, business owners and management teams and generally provides "one stop" financing alternatives within its lower middle market investment strategy. Main Street's lower middle market companies generally have annual revenues between \$10 million and \$150 million. Main Street's middle market debt investments are made in businesses that are generally larger in size than its lower middle market portfolio companies.

Main Street, through its wholly owned portfolio company MSC Adviser I, LLC ("MSC Adviser"), also maintains an asset management business through which it manages investments for external parties. MSC Adviser is registered as an investment adviser under the Investment Advisers Act of 1940.

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