

News Release

For information contact:

Colleen Johnson
Senior Vice President
Marketing and Communications
CNL Financial Group
407-650-1223

CNL STRATEGIC CAPITAL ANNOUNCES OPERATING RESULTS FOR FIRST QUARTER 2024

(Orlando, Fla.) May 10, 2024 — CNL Strategic Capital, LLC (“CNL Strategic Capital,” the “Company” or “we”) seeks to provide current income and long-term appreciation to investors by acquiring controlling equity stakes in combination with loan positions in privately owned middle-market businesses. The Company announced its operating results for the three months ended March 31, 2024.

Highlights:

- As of March 31, 2024, CNL Strategic Capital’s portfolio consisted of equity and debt investments in 14 portfolio companies and had approximately \$1.1 billion in total assets, compared with approximately \$1.0 billion as of Dec. 31, 2023.
- For the three months ended March 31, 2024, the Company recognized a net change in unrealized appreciation on investments of approximately \$16.2 million and had total investment income of approximately \$14.9 million. That compares with a net change in unrealized appreciation on investments of \$13.1 million and total investment income of approximately \$13.3 million during the first three months of 2023.
- The cumulative total investment return based on net asset value (NAV) since inception and through March 31, 2024, was approximately 89.0% for Class FA shares, 75.4% for Class A shares, 65.0% for Class T shares, 66.8% for Class D shares, 77.4% for Class I shares and 59.6% for Class S shares.¹ These returns are prior to any applicable sales load and assume shareholders reinvested their distributions.
- For the three months ended March 31, 2024, CNL Strategic Capital received approximately \$56.5 million in net offering proceeds, including approximately \$4.1 million received through the distribution reinvestment plan. Since beginning operations in February 2018 until March 31, 2024, CNL Strategic Capital has raised approximately \$966.0 million, including \$32.3 million received through the distribution reinvestment plan.

Cash distributions declared net of distributions reinvested were funded from the following sources (in thousands):

	Three Months Ended March 31,			
	2024		2023	
	Amount	Percentage ²	Amount	Percentage ²
Net investment income before Expense Support (reimbursement)	\$ 4,426	93.2 %	\$ 4,798	119.6 %
Expense Support (reimbursement)	295	6.2	113	2.8
Net investment income	<u>\$ 4,721</u>	<u>99.4 %</u>	<u>\$ 4,911</u>	<u>122.4 %</u>
Cash distributions net of distributions reinvested in excess of net investment income	30	0.6	--	--
Cash distributions declared, net of distributions reinvested ³	<u>\$ 4,751</u>	<u>100.0 %</u>	<u>\$ 4,011</u>	<u>100.0 %</u>

Sources of declared distributions on a GAAP basis (in thousands):

	Three Months Ended March 31,			
	2024		2023	
	Amount	% of Distributions Declared	Amount	% of Distributions Declared
Net investment income ⁴	\$ 4,721	53.6 %	\$ 4,911	74.4 %
Distributions in excess of net investment income ⁵	4,086	46.4	1,690	25.6
Total distributions declared	<u>\$ 8,807</u>	<u>100.0 %</u>	<u>\$ 6,601</u>	<u>100.0 %</u>

Total investment return based on net asset value (NAV) after incentive fees per share for the three months ended March 31, 2024:¹

Class FA	Class A	Class T	Class D	Class I	Class S
2.3%	2.0%	1.8%	2.0%	2.0%	2.3%

(These returns are prior to any applicable sales load and assume shareholders reinvested their distributions. These are not actual shareholder returns. Actual returns may vary materially.)

Cumulative total investment return based on NAV after sales fees since inception and through the three months ended March 31, 2024:¹

Class FA (2/7/18-3/31/24)	Class A (4/10/18-3/31/24)	Class T (5/25/18-3/31/24)	Class D (6/26/18-3/31/24)	Class I (4/10/18-3/31/24)	Class S (3/31/20-3/31/24)
89.0%	75.4%	65.0%	66.8%	77.4%	59.6%

(These returns are prior to any applicable sales load and assume shareholders reinvested their distributions. These are not actual shareholder returns. Actual returns may vary materially.)

¹This is not shareholder returns. Total investment return is calculated for each share class as the change in the net asset value for such share class during the period and assuming all distributions are reinvested. Amounts are not annualized and are not representative of total return as calculated for purposes of the total return incentive fee. Since there is no public market for the Company's shares, terminal market value per share is assumed to be equal to net asset value per share on the last day of the period presented. The Company's performance changes over time and currently may be different than that shown above. Past performance is no guarantee of future results. Investment performance is presented without regard to sales load that may be incurred by shareholders in the purchase of the Company's shares. For the period from the date the first share was issued for each respective share class through the three months ended March 31, 2024. ²Represents percentage of cash distribution declared, net of distribution reinvested for the period presented. ³Excludes \$4,056 and \$2,590 of distributions reinvested pursuant to our distribution reinvestment plan during the three months ended March 31, 2024, and 2023, respectively. ⁴Net investment income includes Expense Support, net of \$295 and \$113 for the three months ended March 31, 2024, and 2023, respectively. ⁵Consists of distributions made from offering proceeds for the periods presented.

About CNL Strategic Capital

CNL Strategic Capital is a publicly registered, non-traded limited liability Company that seeks to provide current income and long-term appreciation to individuals by acquiring controlling equity stakes in combination with loan positions in durable and growing middle-market businesses. The Company is externally managed by CNL Strategic Capital Management, LLC and Levine Leichtman Strategic Capital, LLC (LLSC). For additional information, please visit cnlstrategiccapital.com.

About CNL Financial Group

CNL Financial Group (CNL) is a leading private investment management firm providing alternative investment opportunities. Since inception in 1973, CNL and/or its affiliates have formed or acquired companies with more than \$36 billion in assets. CNL is headquartered in Orlando, Florida. For more information, visit cnl.com.

About Levine Leichtman Strategic Capital

LLSC is an affiliate of Levine Leichtman Capital Partners, LLC (LLCP), a middle-market private equity firm with a 40-year track record of investing across various targeted sectors, including Franchising & Multi-unit, Business Services, Education & Training and Engineered Products & Manufacturing. LLCP utilizes a differentiated Structured Private Equity investment strategy, combining debt and equity capital investments in portfolio companies. LLCP believes that by investing in a combination of debt and equity securities, it offers management teams growth capital in a highly tailored, flexible investment structure that can be a more attractive alternative than traditional private equity.

LLCP's global team of dedicated investment professionals is led by 10 partners who have worked at LLCP for an average of 19 years. Since inception, LLCP has managed approximately \$14.4 billion of institutional capital across 15 investment funds and has invested in over 100 portfolio companies. LLCP currently manages \$9.6 billion of assets and has offices in Los Angeles, New York, Chicago, Miami, London, Stockholm, The Hague and Frankfurt. For additional information, please visit llcp.com.

The information in this press release may include "forward-looking statements." These statements are based on the beliefs and assumptions of CNL Strategic Capital's management and on the information currently available to management at the time of such statements. Forward-looking statements generally can be identified by the words "believes," "expects," "intends," "plans," "estimates" or similar expressions that indicate future events. Forward-looking statements are subject to substantial risks and uncertainties, many of which are difficult to predict and are generally beyond CNL Strategic Capital's

control. Important risks, uncertainties and factors that could cause actual results to differ materially from those in the forward-looking statements include the risks associated with the Company's ability to pay distributions and the sources of such distribution payments, the Company's ability to locate and make suitable investments and other risks described in the "Risk Factors" section of the Company's Annual Report on Form 10-K and the other documents filed by the Company with the Securities and Exchange Commission. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities.

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