

# *News Release*

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## **CNL STRATEGIC CAPITAL ANNOUNCES OPERATING RESULTS FOR SECOND QUARTER 2025**

(Orlando, Fla.) August 8, 2025 — CNL Strategic Capital, LLC (CNL Strategic Capital or the Company) 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 six months ended June 30, 2025.

### **Highlights:**

- As of June 30, 2025, CNL Strategic Capital's portfolio consisted of equity and debt investments in 17 portfolio companies and had approximately \$1.4 billion in total assets, compared with approximately \$1.3 billion as of Dec. 31, 2024.
- For the six months ended June 30, 2025, the Company recognized a net change in unrealized appreciation on investments, including unrealized foreign currency gain of approximately \$55.2 million and had total investment income of approximately \$35.1 million. That compares with a net change in unrealized appreciation on investments of \$35.2 million and total investment income of approximately \$32.1 million during the first six months of 2024.
- The cumulative total investment return based on net asset value (NAV) since inception and through June 30, 2025, was approximately 116.7% for Class FA shares, 99.2% for Class A shares, 85.0% for Class T shares, 88.6% for Class D shares, 101.0% for Class I shares and 83.2% for Class S shares.<sup>1</sup> These returns are prior to any applicable sales load and assume shareholders reinvested their distributions.
- For the six months ended June 30, 2025, CNL Strategic Capital received approximately \$74.9 million in net offering proceeds, including approximately \$10.5 million received through the distribution reinvestment plan. Since beginning operations in February 2018 until June 30, 2025, CNL Strategic Capital raised approximately \$1.2 billion, including \$56.9 million received through the distribution reinvestment plan.

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

	Six Months Ended June 30,			
	2025		2024	
	Amount	Percentage <sup>2</sup>	Amount	Percentage <sup>2</sup>
Net investment income before Expense Support (reimbursement)	\$ 5,374	51.6 %	\$ 9,634	100.1 %
Expense Support (reimbursement)	3,892	37.4	353	3.7
Net investment income	\$ 9,266	89.0 %	\$ 9,987	103.8 %
Cash distributions net of distributions reinvested in excess of net investment income	1,143	11.0	—	—
Cash distributions declared, net of distributions reinvested <sup>3</sup>	\$ 10,409	100.0 %	\$ 9,621	100.0 %

The increase in expense support accrued during the six months ended June 30, 2025, as compared to June 30, 2024, is primarily attributable to the timing of dividends received from our portfolio companies. As of June 30, 2025, the Company's proportionate share of our portfolio companies' cash was approximately \$40.8 million, which, if had been used to dividend to the Company, would have resulted in no expense support accrual.

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

	Six Months Ended June 30,			
	2025		2024	
	Amount	% of Distributions Declared	Amount	% of Distributions Declared
Net investment income <sup>4</sup>	\$ 9,266	44.3 %	\$9,987	55.4 %
Distributions in excess of net investment income <sup>5</sup>	11,653	55.7	8,034	44.6
Total distributions declared	\$ 20,919	100.0 %	\$18,021	100.0 %

Total investment return based on net asset value (NAV) after incentive fees per share for the six months ended June 30, 2025:<sup>1</sup>

Class FA	Class A	Class T	Class D	Class I	Class S
5.4%	5.1%	4.4%	4.9%	5.2%	5.6%

*(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.)*

Cumulative total investment return based on NAV after sales fees since inception and through the six months ended June 30, 2025:<sup>1</sup>

<b>Class FA</b> (2/7/18-6/30/25)	<b>Class A</b> (4/10/18-6/30/25)	<b>Class T</b> (5/25/18-6/30/25)	<b>Class D</b> (6/26/18-6/30/25)	<b>Class I</b> (4/10/18-6/30/25)	<b>Class S</b> (3/31/20-6/30/25)
116.7%	99.2%	85.0%	88.6%	101.0%	83.2%

*(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.)*

## Recent Events

In August 2025, CNL Strategic Capital sold its portfolio company, Douglas Machines Corp to Sani-Matic, Inc. CNL Strategic Capital acquired Douglas in October 2021, and this transaction represents the first realization in CNL Strategic Capital's portfolio.

Founded in 1979 and headquartered in Clearwater, Florida, Douglas is a manufacturer of innovative and customizable commercial cleaning and sanitizing equipment to the food, pet food, nutraceutical and industrial end markets in the United States. Douglas was acquired by Sani-Matic, Inc., a leading provider of automated process sanitization equipment, components and support services for the food, beverage and biopharmaceutical industries. Sani-Matic is headquartered in Sun Prairie, WI.

<sup>1</sup>This 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 six months ended June 30, 2025. <sup>2</sup>Represents percentage of cash distribution declared, net of distribution reinvested for the period presented. <sup>3</sup>Excludes \$10,510 and \$8,400 of distributions reinvested pursuant to our distribution reinvestment plan during the six months ended June 30, 2025, and 2024, respectively. <sup>4</sup>Net investment income includes Expense Support of \$3,892 and \$353 for the six months ended June 30, 2025, and 2024, respectively. <sup>5</sup>Consists 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](http://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 additional information, please visit [cnl.com](http://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 9 partners who have worked at LLCP for an average of 19 years. Since inception, LLCP has managed approximately \$18.1 billion of institutional capital across 20 investment funds and has invested in over 120 portfolio companies. LLCP currently manages \$12.7 billion of assets and has offices in Los Angeles, New York, Chicago, Miami, London, Stockholm, Amsterdam and Frankfurt. For additional information, please visit [llcp.com](http://llcp.com).

***This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities. 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," "will," "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.***

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