

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

Current Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):

December 12, 2019

CAPITALA FINANCE CORP.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

814-01022
(Commission File Number)

90-0945675
(I.R.S. Employer Identification No.)

4201 Congress St., Suite 360
Charlotte, NC 28209
(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: **(704) 376-5502**

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.01 per share	CPTA	NASDAQ Global Select Market
5.75% Convertible Notes due 2022	CPTAG	NASDAQ Capital Market
6.00% Notes due 2022	CPTAL	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure

On December 12, 2019, Capitala Finance Corp. issued a press release, the text of which is attached hereto as Exhibit 99.1.

The information disclosed under this Item 7.01, including Exhibit 99.1 hereto, is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be deemed incorporated by reference into any filing made under the Securities Act of 1933, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable.
- (b) Not applicable.
- (c) Not applicable.
- (d) Exhibits.

Exhibit No. Description

[99.1](#) [Press release dated December 12, 2019](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: December 12, 2019

CAPITALA FINANCE CORP.

By: /s/ Stephen A. Arnall
Stephen A. Arnall
Chief Financial Officer and Chief Operating Officer



Capitala Group Announces Significant Realization in its Credit Strategy

Total Realized Gain of \$32.0 Million on Sale of Nth Degree Inc.

CHARLOTTE, NC, December 12, 2019 – (Globe Newswire) -- Capitala Group (“Capitala”), a provider of capital to lower middle market companies, announced today the sale of its portfolio company, Nth Degree, Inc., (“Nth Degree”) to MSouth Equity Partners. On December 3, 2019, Capitala Group and affiliates received \$9.1 million for full repayment of senior secured debt and received total consideration of \$36.7 million for its equity investment, resulting in a realized gain of \$32.0 million. Over the course of the investment period, Capitala Group and affiliates received total consideration of \$39.3 million for its equity investment of which \$30.8 million has been realized. This represents a total equity multiple on invested capital of 13.1x.

As part of the December 3, 2019 sale, Capitala Group’s BDC, Capitala Finance Corp., (the “Company”)(Nasdaq: CPTA) received \$7.3 million for full repayment of its senior secured debt and received total consideration of \$29.4 million for its equity investment, resulting in a realized gain of \$25.9 million. As part of the total consideration, Capitala Finance Corp. received \$6.1 million in rollover equity in the successor entity to Nth Degree.

“Since 2015, Capitala has supported Nth Degree during a period of extraordinary growth. The outstanding performance of this investment is a credit to the strong management team at Nth Degree that was able to successfully drive operational improvements, execute and integrate an acquisition and strategically position Nth Degree for future success,” said Randall Fontes, Managing Director of Capitala. “We look forward to continuing our partnership with the entire Nth Degree management team and MSouth Equity Partners.”

Nth Degree, headquartered in Duluth, GA, is a market-leading provider of exhibit management services and event services to clients across the globe. Capitala Group acquired Nth Degree in partnership with Gladstone Investment Corp (Nasdaq: GAIN) and management in December of 2015 and provided necessary capital and insights to advance Nth Degree to the next phase of growth.

About Capitala Finance Corp.

Capitala Finance Corp. is a business development company that invests primarily in first and second lien loans, subordinated debt and, to a lesser extent, equity securities issued by lower middle market companies. The Company is managed by Capitala Investment Advisors, LLC. For more information on Capitala Finance Corp., or to automatically receive email notifications of Company financial information, press releases, stock alerts, or other corporate filings, please visit the Investor Relations section of our website.

About Capitala Group:

Capitala Group is a \$3.0 billion asset management firm that has been providing capital to lower middle market companies through its credit, growth, and equity investment strategies throughout North America for twenty years. Since its inception in 1998, Capitala has invested in over 150 companies and seeks to partner with strong management teams to create value and generate superior risk-adjusted returns for its individual and institutional investors. For more information, definition and details visit Capitala Group's website at www.capitalagroup.com.

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SOURCE: Capitala Finance Corp.
