

## Investcorp Credit Management BDC, Inc. Announces Financial Results for the Quarter Ended December 31, 2020 and Quarterly and Supplemental Distributions

Investcorp Credit Management BDC, Inc. (NASDAQ: ICMB) (“ICMB” or the “Company”) announced its financial results today for its fiscal second quarter ended December 31, 2020.

### HIGHLIGHTS

- **On February 3, 2021, the Company’s Board declared a distribution for the quarter ending March 31, 2021 of \$0.15 per share, payable on April 1, 2021, to stockholders of record as of March 12, 2021, and a supplemental distribution of \$0.03 per share, payable on April 1, 2021, to stockholders of record as of March 12, 2021.**
- **ICMB made four investments, across one existing portfolio company and three new portfolio companies. These investments totaled \$17.6mm. The weighted average yield of debt investments made in the quarter was 11.75%.**
- **ICMB fully realized four investments during the quarter, totaling \$15.8 million, and received additional partial repayments totaling \$7.2 million.**
- **The weighted average yield on debt investments, at cost, increased 51 basis points to 9.76%, compared to 9.25% as of September 30, 2020.**
- **Net asset value (“NAV”) increased \$0.03 per share to \$7.84, compared to \$7.81 as of September 30, 2020. The Net Assets increased by \$0.612mil or 0.56% for the quarter ended December 31, 2020.**

Portfolio results, as of December 31, 2020:

Total assets	\$271.5mm
Investment portfolio, at fair value	\$257.7mm
Net assets	\$109.1mm
Weighted average yield on debt investments, at cost	9.76%
Net asset value per share	\$7.84
Portfolio activity in the current quarter:	
Number of new investments	3
Total capital invested	\$17.6mm
Proceeds from repayments, sales, and amortization	\$23.0mm
Number of portfolio companies, end of period	37
Net investment income (NII)	\$3.0mm
Net investment income per share	\$0.22
Net increase in net assets from operations	\$3.1mm
Net decrease in net assets from operations per share	\$0.22
Quarterly per share distribution paid on January 4, 2021	\$0.18

Mr. Michael C. Mauer, the Company’s Chief Executive Officer, said “the current market has highlighted companies with resilient business models and strong capital structures. In this environment we continue to see good investment opportunities at attractive yields.”

The Company’s dividend framework provides a quarterly base dividend and is supplemented (when available) by additional dividends determined by the net investment income during the quarter.

On November 3, 2020, the Company’s Board of Directors (the “Board”) declared a distribution for the quarter ending December 31, 2020 of \$0.15 per share, payable on January 4, 2021, to stockholders of record as of December 10, 2020, and a supplemental distribution of \$0.03 per share, payable on January 4, 2021, to stockholders of record as of December 10, 2020.

These distributions represent a 14.26% yield on the Company's \$5.05 share price as of market close on February 8, 2021. Distributions may include net investment income, capital gains and/or return of capital, however, the Company does not expect these distributions to be comprised of a return of capital. The tax status of distributions will be determined at the end of the taxable year.

### **Portfolio and Investment Activities**

During the quarter, the Company made four investments, across one existing portfolio company and three new portfolio companies. The aggregate capital invested during the quarter totaled \$17.6mm, at cost, and the new debt investments were made at a weighted average yield of 11.75%.

The Company received proceeds of \$23.1mm from repayments, sales and amortization during the quarter, primarily related to the realizations of KIK Custom Products, RPX, Northstar Group, and Deluxe.

The Company's realized and unrealized gains and losses accounted for an increase in the Company's net investments of \$0.1mm, or \$0.00 per share. The total net increase in net assets resulting from operations for the quarter was \$3.1mm, or \$0.22 per share.

As of December 31, 2020, the Company's investment portfolio consisted of investments in 37 portfolio companies, of which 87.2% were first lien investments, 4.9% were second lien investments, 4.4% were unitranche loans, and 3.5% were equity, warrants, and other investments. The Company's debt portfolio consisted of 99.4% floating rate investments and 0.6% fixed rate investments.

### **COVID-19 Developments**

During the six months ended December 31, 2020, the Company's portfolio was negatively affected by the economic uncertainty caused by the novel coronavirus ("COVID-19") pandemic. The Company has closely monitored its portfolio companies throughout this period, including assessing portfolio companies' operational and liquidity exposure and outlook. Though the magnitude of the impact remains to be seen, certain of the Company's portfolio companies and, by extension, select operating results have been, and may continue to be, adversely impacted by the COVID-19 pandemic. For additional information about the COVID-19 pandemic and its potential impact on the Company's results of operations and financial condition, please refer to the disclosure in the Company's Form 10-Q for the quarter ended December 31, 2020.

### **Capital Resources**

As of December 31, 2020, the Company had \$3.8mm in cash, \$4.7mm in restricted cash and \$16mm of capacity under its revolving credit facility with UBS AG, London Branch.

### **Subsequent Events**

Subsequent to December 31, 2020 and through February 8, 2021, the Company made no new investments and received \$2.9mm in repayments. As of February 8, 2021, the Company had 37 portfolio companies.

**Investcorp Credit Management BDC, Inc. and Subsidiaries**  
**Consolidated Statements of Assets and Liabilities**

	December 31, 2020 (Unaudited)	June 30, 2020
<b>Assets</b>		
Non-controlled, non-affiliated investments, at fair value (amortized cost of \$303,922,586 and \$ 316,924,638, respectively)	\$ 257,731,578	\$ 270,621,709
Cash	3,771,963	14,876,444
Cash, restricted	4,707,001	5,417,118
Receivable for investments sold	2,033,722	1,576,730
Interest receivable	2,219,364	2,301,641
Payment-in-kind interest receivable	532,680	514,643
Other receivables	427,208	1,135,563
Prepaid expenses and other assets	119,263	350,661
<b>Total Assets</b>	<b>\$ 271,542,779</b>	<b>\$ 296,794,509</b>
<b>Liabilities</b>		
Notes payable:		
Term loan	\$ 102,000,000	\$ 102,000,000
Revolving credit facility	4,000,000	30,000,000
2023 Notes payable	51,375,000	51,375,000
Deferred debt issuance costs	(870,365)	(1,042,497)
Notes payable, net	156,504,635	182,332,503
Dividend payable	2,503,272	2,499,360
Income-based incentive fees payable	649,122	707,796
Base management fees payable	1,095,082	1,196,937
Interest payable	977,229	1,000,452
Directors' fees payable	23,809	24,559
Accrued expenses and other liabilities	718,316	907,907
<b>Total Liabilities</b>	<b>162,471,465</b>	<b>188,669,514</b>
<b>Commitments and Contingencies (Note 6)</b>		
<b>Net Assets</b>		
Common stock, par value \$0.001 per share (100,000,000 shares authorized, 13,907,064 and 13,885,335 shares issued and outstanding, respectively)	13,907	13,885
Additional paid-in capital	200,850,429	200,779,949
Distributable earnings (loss)	(91,793,022)	(92,668,839)
<b>Total Net Assets</b>	<b>109,071,314</b>	<b>108,124,995</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 271,542,779</b>	<b>\$ 296,794,509</b>
Net Asset Value Per Share	\$ 7.84	\$ 7.79

See notes to unaudited consolidated financial statements.

**Investcorp Credit Management BDC, Inc. and Subsidiaries**  
**Consolidated Statements of Operations (Unaudited)**

	For the three months ended		For the six months ended	
	December 31,		December 31,	
	2020	2019	2020	2019
<b>Investment Income:</b>				
Interest income	\$ 5,823,345	\$ 7,741,904	\$ 11,910,939	\$ 15,312,166
Payment in-kind interest income	891,417	1,454,214	1,731,744	2,361,991
Other fee income	373,004	235,331	416,064	315,726
<b>Total investment income</b>	<b>7,087,766</b>	<b>9,431,449</b>	<b>14,058,747</b>	<b>17,989,883</b>
<b>Expenses:</b>				
Interest expense	1,837,775	2,533,278	3,819,500	4,885,023
Base management fees	1,189,440	1,369,983	2,410,212	2,725,061
Income-based incentive fees	-	851,842	-	851,842
Provision for tax expense	5,780	10,018	5,780	10,018
Professional fees	319,725	390,107	639,450	699,960
Allocation of administrative costs from advisor	354,000	330,000	708,000	682,000
Amortization of deferred debt issuance costs	-	195,377	-	390,754
Insurance expense	108,186	83,761	216,372	167,523
Directors' fees	78,625	22,500	155,250	105,000
Custodian and administrator fees	63,822	77,597	129,749	207,469
Offering expense	86,906	85,604	172,133	137,354
Other expenses	119,828	120,590	245,100	276,860
<b>Total expenses</b>	<b>4,164,087</b>	<b>6,070,657</b>	<b>8,501,546</b>	<b>11,138,864</b>
Waiver of base management fees	(94,359)	(57,852)	(207,330)	(102,035)
Waiver of income-based incentive fees	-	(336,619)	-	(336,619)
<b>Net expenses</b>	<b>4,069,728</b>	<b>5,676,186</b>	<b>8,294,216</b>	<b>10,700,210</b>
<b>Net investment income</b>	<b>3,018,038</b>	<b>3,755,263</b>	<b>5,764,531</b>	<b>7,289,673</b>
<b>Net realized and unrealized gain/(loss) on investments:</b>				
Net realized gain (loss) from investments	-	25,285	3,693	56,358
Net change in unrealized appreciation (depreciation) in value of investments	59,768	(813,105)	111,899	(5,285,140)
<b>Total realized and unrealized gain (loss) on investments</b>	<b>59,768</b>	<b>(787,820)</b>	<b>115,592</b>	<b>(5,228,782)</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ 3,077,806</b>	<b>\$ 2,967,443</b>	<b>\$ 5,880,123</b>	<b>\$ 2,060,891</b>
Basic and diluted:				
Net investment income per share	\$ 0.22	\$ 0.27	\$ 0.41	\$ 0.53
Earnings per share	\$ 0.22	\$ 0.22	\$ 0.42	\$ 0.15
Weighted average shares of common stock outstanding	13,905,173	13,668,027	13,899,449	13,646,653
<b>Distributions paid per common share</b>	<b>\$ 0.18</b>	<b>\$ 0.25</b>	<b>\$ 0.36</b>	<b>\$ 0.50</b>

See notes to unaudited consolidated financial statements.

## **About Investcorp Credit Management BDC, Inc.**

The Company is an externally-managed, closed-end, non-diversified management investment company that has elected to be regulated as a business development company under the Investment Company Act of 1940. The Company's investment objective is to maximize the total return to its stockholders in the form of current income and capital appreciation through debt and related equity investments by targeting investment opportunities with favorable risk-adjusted returns. The Company seeks to invest primarily in middle-market companies that have annual revenues of at least \$50mm and earnings before interest, taxes, depreciation and amortization of at least \$15mm. The Company's investment activities are managed by its investment adviser, CM Investment Partners LLC. To learn more about Investcorp Credit Management BDC, Inc., please visit [www.icmbdc.com](http://www.icmbdc.com).

## **Forward-Looking Statements**

Statements included herein in this press release may contain "forward-looking statements," which relate to future performance or financial condition, are based upon current expectations and are inherently uncertain. Any such statements, other than statements of historical fact, are likely to be affected by other unknowable future events and conditions, including elements of the future that are or are not under the Company's control and including the impact of COVID-19 and related changes in base interest rates and significant market volatility on our business, our portfolio companies, our industry and the global economy, and that the Company may or may not have considered; accordingly, such statements cannot be guarantees or assurances of any aspect of future performance. Statements other than statements of historical facts included in this press release may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of assumptions, risks and uncertainties, which change over time. Actual results may differ materially from those anticipated in any forward-looking statements as a result of a number of factors, including those described from time to time in filings by the Company with the Securities and Exchange Commission. All forward-looking statements speak only as of the date of this press release. The Company undertakes no duty to update any forward-looking statement made herein except as required by law.

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