

## Investcorp Credit Management BDC, Inc. Announces Financial Results for the Quarter Ended March 31, 2023, and Quarterly and Supplemental Distributions

Investcorp Credit Management BDC, Inc. (NASDAQ: ICMB) (“ICMB” or the “Company”) announced its financial results today for its fiscal third quarter ended March 31, 2023.

### **HIGHLIGHTS**

- On May 4, 2023, the Company’s Board of Directors (the “Board”) declared a distribution of \$0.13 per share for the quarter ending June 30, 2023, payable in cash on July 7, 2023, to stockholders of record as of June 16, 2023 and a supplemental distribution of \$0.05 per share, payable on July 7, 2023, to stockholders of record as of June 16, 2023.
- During the quarter, ICMB made investments in one new portfolio company and three existing portfolio companies. These investments totaled \$8.0 million, at cost. The weighted average yield (at origination) of debt investments made in the quarter was 12.85%.
- ICMB fully realized two portfolio companies during the quarter, totaling \$11.2 million in proceeds. The internal rate of return on these investments was 10.70%.
- During the quarter, the Company had net advances of \$1.1 million on its existing delayed draw and revolving credit commitments to portfolio companies.
- The weighted average yield on debt investments, at cost, for the quarter ended March 31, 2023, was 13.36%, compared to 10.73% for the quarter ended December 31, 2022.
- Net asset value decreased \$0.23 per share to \$6.13, compared to \$6.36 as of December 31, 2022. Net assets decreased by \$3.3 million, or 3.6%, during the quarter ended March 31, 2023.

Portfolio results, as of and for the three months ended March 31, 2023:

Total assets	\$239.0mm
Investment portfolio, at fair value	\$221.3mm
Net assets	\$88.2mm
Weighted average yield on debt investments, at cost <sup>(1)</sup>	13.36%
Net asset value per share	\$6.13
Portfolio activity in the current quarter:	
Number of new investments	4
Total capital invested	\$8.0mm
Proceeds from repayments, sales, and amortization	\$14.9mm
Number of portfolio companies, end of period	35
Net investment income (NII)	\$2.5mm
Net investment income per share	\$0.18
Net decrease in net assets from operations	\$1.1mm
Net decrease in net assets from operations per share	\$0.08
Quarterly per share distribution paid on March 30, 2023	\$0.15

(1) Represents weighted average yield on total debt investments for the three months ended March 31, 2023. Weighted average yield on total debt investments is the annualized rate of interest income recognized during the period divided by the average amortized cost of debt investments in the portfolio during the period. The weighted average yield on total debt investments reflected above does not represent actual investment returns to the Company’s stockholders.

Mr. Michael C. Mauer, the Company’s Chief Executive Officer, said “The current high rate environment continues to put pressure on highly levered borrowers across the loan market in the form of elevated interest expense. Our focus on lower leverage multiples as compared to the broadly syndicated market provides our portfolio with significant insulation from the liquidity pressure that many borrowers are facing. We expect a tale of two markets; one of conservatively structured

companies with a low default rate, and one of more aggressively leveraged companies who will see increasing challenges in the coming quarters.”

The Company’s dividend framework provides a quarterly base dividend and may be supplemented, at the discretion of the Board, by additional dividends as determined to be available by the Company’s net investment income and performance during the quarter.

On May 4, 2023, the Board declared a distribution for the quarter ended June 30, 2023 of \$0.13 per share payable on July 7, 2023 to stockholders of record as of June 16, 2023 and a supplemental distribution of \$0.05 per share, payable on July 7, 2023, to stockholders of record as of June 16, 2023.

This distribution represents a 19.73% yield on the Company’s \$3.65 share price as of market close on March 31, 2023. Distributions may include net investment income, capital gains and/or return of capital, however, the Company does not expect the dividend for the quarter ending March 31, 2023, to be comprised of a return of capital. The Company’s investment adviser monitors available taxable earnings, including net investment income and realized capital gains, to determine if a return of capital may occur for the year. The Company estimates the source of its distributions as required by Section 19(a) of the Investment Company Act of 1940 to determine whether payment of dividends are expected to be paid from any other source other than net investment income accrued for the current period or certain cumulative periods, but the Company will not be able to determine whether any specific distribution will be treated as taxable earnings or as a return of capital until after at the end of the taxable year.

### **Portfolio and Investment Activities**

During the quarter, the Company made investments in one new portfolio company and three existing portfolio companies. The aggregate capital invested during the quarter totaled \$8.0 million, at cost, and the debt investments were made at a weighted average yield of 12.85%.

The Company received proceeds of \$14.9 million from repayments, sales and amortization during the quarter, primarily related to the realization of Agrofresh Inc. and Liberty Oilfield Services, LLC.

During the quarter, the Company had net advances of \$1.1 million on its existing and new delayed draw and revolving credit commitments to portfolio companies.

The Company’s net realized, and unrealized gains and losses accounted for a decrease in the Company’s net investments of \$3.6 million, or \$0.25 per share. The total net decrease in net assets resulting from operations for the quarter was \$1.1 million, or \$0.08 per share.

As of March 31, 2023, the Company’s investment portfolio consisted of investments in 35 portfolio companies, of which 90.6% were first lien investments and 9.4% were equity, warrants, and other investments. The Company’s debt portfolio consisted of 99.6% floating rate investments and 0.4% fixed rate investments.

The Company continues to assess the impact of the COVID-19 pandemic on its portfolio companies and will continue to closely monitor its portfolio companies throughout this period, including assessing portfolio companies’ operational and liquidity exposure and outlook. 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 quarterly report on Form 10-Q for the quarter ended March 31, 2023, filed with the Securities and Exchange Commission on May 15, 2023.

### **Capital Resources**

As of March 31, 2023, the Company had \$14.2 million in cash, of which \$11.3 million was restricted cash, and \$33.1 million unused capacity under its revolving credit facility with Capital One, N.A.

**Subsequent Events**

Subsequent to March 31, 2023 and through May 15, 2023, the Company invested a total of \$8.4 million, which included investments in two new portfolio companies. As of May 15, 2023, the Company had investments in 37 portfolio companies.

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

	March 31, 2023 (Unaudited)	June 30, 2022
<b>Assets</b>		
Non-controlled, non-affiliated investments, at fair value (amortized cost of \$220,410,654 and \$254,172,763, respectively)	\$ 211,666,909	\$ 223,037,183
Affiliated investments, at fair value (amortized cost of \$23,961,437 and \$23,395,242, respectively)	9,648,520	10,646,803
Total investments, at fair value (amortized cost of \$244,372,091 and \$277,568,005, respectively)	221,315,429	233,683,986
Cash	2,902,376	2,550,021
Cash, restricted	11,256,490	6,605,056
Receivable for investments sold	783,805	835,043
Interest receivable	2,184,798	2,298,443
Payment-in-kind interest receivable	48,973	2,137
Other receivables	6,365	—
Prepaid expenses and other assets	510,888	410,401
<b>Total Assets</b>	<b>\$ 239,009,124</b>	<b>\$ 246,385,087</b>
<b>Liabilities</b>		
Notes payable:		
Revolving credit facility	\$ 81,900,000	\$ 84,000,000
2026 Notes payable	65,000,000	65,000,000
Deferred debt issuance costs	(1,393,889)	(1,913,889)
Unamortized discount	(213,330)	(266,663)
Notes payable, net	145,292,781	146,819,448
Payable for investments purchased	421,396	246,984
Dividend payable	—	2,157,872
Income-based incentive fees payable	33,863	182,095
Base management fees payable	953,327	1,054,063
Interest payable	2,958,418	1,574,356
Directors' fees payable	13,630	20,780
Accrued expenses and other liabilities	1,109,162	820,097
<b>Total Liabilities</b>	<b>150,782,577</b>	<b>152,875,695</b>
<b>Net Assets</b>		
Common stock, par value \$0.001 per share (100,000,000 shares authorized 14,391,775 and 14,385,810 shares issued and outstanding, respectively)	14,392	14,386
Additional paid-in capital	203,611,869	203,590,126
Distributable earnings (loss)	(115,399,714)	(110,095,120)
<b>Total Net Assets</b>	<b>88,226,547</b>	<b>93,509,392</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 239,009,124</b>	<b>\$ 246,385,087</b>
Net Asset Value Per Share	\$ 6.13	\$ 6.50

*See notes to consolidated financial statements.*

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

	For the three months ended		For the nine months ended	
	March 31,		March 31,	
	2023	2022	2023	2022
<b>Investment Income:</b>				
Interest income				
Non-controlled, non-affiliated investments	\$ 6,314,620	\$ 5,430,305	\$ 18,184,247	\$ 17,375,069
Affiliated investments	—	(20,929)	(20,611)	100,390
<b>Total interest income</b>	<u>6,314,620</u>	<u>5,409,376</u>	<u>18,163,636</u>	<u>17,475,459</u>
Payment in-kind interest income				
Non-controlled, non-affiliated investments	575,231	79,679	1,096,040	117,143
Affiliated investments	17,491	14,843	51,938	167,012
<b>Total payment-in-kind interest income</b>	<u>592,722</u>	<u>94,522</u>	<u>1,147,978</u>	<u>284,155</u>
Dividend income				
Non-controlled, non-affiliated investments	—	—	101,755	—
Affiliated investments	—	—	—	296,126
<b>Total dividend income</b>	<u>—</u>	<u>—</u>	<u>101,755</u>	<u>296,126</u>
Other fee income				
Non-controlled, non-affiliated investments	98,498	412,516	670,926	552,744
Affiliated investments	—	—	—	1,510
<b>Total other fee income</b>	<u>98,498</u>	<u>412,516</u>	<u>670,926</u>	<u>554,254</u>
<b>Total investment income</b>	<u>7,005,840</u>	<u>5,916,414</u>	<u>20,084,295</u>	<u>18,609,994</u>
<b>Expenses:</b>				
Interest expense	2,166,739	1,527,148	6,119,083	5,059,231
Base management fees	1,043,306	1,161,530	3,204,391	3,413,139
Income-based incentive fees	—	—	(147,145)	—
Provision for tax expense	77,575	242,658	187,763	270,618
Professional fees	271,784	342,205	815,347	947,964
Allocation of administrative costs from Adviser	375,900	348,849	1,127,700	1,052,249
Amortization of deferred debt issuance costs	173,333	173,334	520,000	447,778
Amortization of original issue discount - 2026 Notes	17,777	17,777	53,332	53,332
Insurance expense	120,093	132,259	395,734	374,527
Directors' fees	75,625	75,625	226,875	226,875
Custodian and administrator fees	74,397	73,161	217,913	221,005
Other expenses	151,093	154,148	426,908	469,003
<b>Total expenses</b>	<u>4,547,622</u>	<u>4,248,694</u>	<u>13,147,901</u>	<u>12,535,721</u>
Waiver of base management fees	(89,939)	(128,831)	(296,566)	(352,645)
Waiver of income-based incentive fees	—	—	—	—
<b>Net expenses</b>	<u>4,457,683</u>	<u>4,119,863</u>	<u>12,851,335</u>	<u>12,183,076</u>
<b>Net investment income</b>	<u>2,548,157</u>	<u>1,796,551</u>	<u>7,232,960</u>	<u>6,426,918</u>
<b>Net realized and unrealized gain/(loss) on investments:</b>				
Net realized gain (loss) from investments				
Non-controlled, non-affiliated investments	(26,890,095)	(6,607,419)	(26,890,095)	(6,194,307)
Affiliated investments	—	—	—	(8,196,669)
Net realized gain (loss) from investments	<u>(26,890,095)</u>	<u>(6,607,419)</u>	<u>(26,890,095)</u>	<u>(14,390,976)</u>
Net change in unrealized appreciation (depreciation) in value of investments				
Non-controlled, non-affiliated investments	24,505,471	5,595,748	22,391,835	8,064,316
Affiliated investments	(1,267,677)	(847,961)	(1,564,478)	6,573,008
Net change in unrealized appreciation (depreciation) on investments	<u>23,237,794</u>	<u>4,747,787</u>	<u>20,827,357</u>	<u>14,637,324</u>
<b>Total realized gain (loss) and change in unrealized appreciation (depreciation) on investments</b>	<u>(3,652,301)</u>	<u>(1,859,632)</u>	<u>(6,062,738)</u>	<u>246,348</u>
<b>Net increase (decrease) in net assets resulting from operations</b>	<u>\$ (1,104,144)</u>	<u>\$ (63,081)</u>	<u>\$ 1,170,222</u>	<u>\$ 6,673,266</u>
Basic and diluted:				
Net investment income per share	\$ 0.18	\$ 0.12	\$ 0.50	\$ 0.45
Earnings per share	\$ (0.08)	\$ (0.00)	\$ 0.08	\$ 0.47
Weighted average shares of common stock outstanding	14,389,868	14,384,988	14,388,295	14,277,683
<b>Distributions paid per common share</b>	<u>\$ 0.15</u>	<u>\$ 0.15</u>	<u>\$ 0.45</u>	<u>\$ 0.45</u>

*See notes to 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 in this press release and made on the earnings call for the quarter ended March 31, 2022, may contain "forward-looking statements," which relate to future performance, operating results, events and/or financial condition. Words such as "anticipates," "expects," "intends," "plans," "will," "may," "continue," "believes," "seeks," "estimates," "would," "could," "should," "targets," "projects," and variations of these words and similar expressions are intended to identify forward-looking statements. Any forward-looking statements, including statements other than statements of historical facts, included in this press release or made on the earnings call are based upon current expectations, are inherently uncertain, and involve a number of assumptions and substantial risks and uncertainties, many of which are difficult to predict and are generally beyond the Company's control.

Investors are cautioned not to place undue reliance on these forward-looking statements. Any such statements are likely to be affected by other unknowable future events and conditions, which the Company may or may not have considered, including, without limitation, the impact of the COVID-19 pandemic, changes in base interest rates and the effects of significant market volatility on our business, our portfolio companies, our industry and the global economy. Accordingly, such statements cannot be guarantees or assurances of any aspect of future performance or events. Actual results may differ materially from those anticipated in any forward-looking statements as a result of a number of factors and risks. More information on these risks and other potential factors that could affect actual events and the Company's performance and financial results, including important factors that could cause actual results to differ materially from plans, estimates or expectations included herein or discussed on the earnings call, is or will be included in the Company's filings with the Securities and Exchange Commission, including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. All forward-looking statements speak only as of the date they are made. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

## **Contacts**

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