

## Investcorp Credit Management BDC, Inc. Announces Financial Results for the Quarter Ended September 30, 2023, and Quarterly and Supplemental Distribution

Investcorp Credit Management BDC, Inc. (NASDAQ: ICMB) (“ICMB” or the “Company”) announced its financial results today for its fiscal first quarter ended September 30, 2023.

### **HIGHLIGHTS**

- **On November 9, 2023, the Company’s Board of Directors (the “Board”) declared a distribution of \$0.12 per share for the quarter ending December 31, 2023, payable in cash on January 8, 2024, to stockholders of record as of December 14, 2023 and a supplemental distribution of \$0.03 per share, payable on January 8, 2024, to stockholders of record as of December 14, 2023.**
- **During the quarter, ICMB made investments in four new portfolio companies and one existing portfolio company. These investments totaled \$15.5 million, at cost. The weighted average yield (at origination) of debt investments made in the quarter was 12.27%.**
- **ICMB fully realized one portfolio company during the quarter, totaling \$6.86 million in proceeds. The internal rate of return on this investment was 16.40%.**
- **During the quarter, the Company had net advances of \$0.7 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 September 30, 2023, was 11.01%, compared to 12.45% for the quarter ended June 30, 2023.**
- **Net asset value decreased \$0.26 per share to \$5.83, compared to \$6.09 as of June 30, 2023. Net assets decreased by \$3.8 million, or 4.4%, during the quarter ended September 30, 2023 compared to June 30, 2023.**

Portfolio results, as of and for the three months ended September 30, 2023:

Total assets	\$239.8mm
Investment portfolio, at fair value	\$223.4mm
Net assets	\$83.9mm
Weighted average yield on debt investments, at cost <sup>(1)</sup>	11.01%
Net asset value per share	\$5.83
Portfolio activity in the current quarter:	
Number of new investments	4
Number of portfolio companies, end of period	40
Total capital invested	\$15.5mm
Proceeds from repayments, sales, and amortization	\$10.3mm
Net investment income (NII)	\$1.6mm
Net investment income per share	\$0.11
Net decrease in net assets from operations	\$(1.7)mm
Net decrease in net assets from operations per share	\$(0.12)
Quarterly per share distribution paid on September 30, 2023	\$0.15

(1) Represents weighted average yield on total debt investments for the three months ended September 30, 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 flow of investment opportunities is showing signs of improving as we head into 2024. This flow, combined with turnover in the current portfolio, is creating the opportunity to increase diversification over the next several 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 November 9, 2023, the Board declared a distribution for the quarter ended December 31, 2023 of \$0.12 per share payable on January 8, 2024 to stockholders of record as of December 14, 2023 and a supplemental distribution of \$0.03 per share, payable on January 8, 2024, to stockholders of record as of December 14, 2023.

This distribution represents a 15.03 % yield on the Company's \$3.99 share price as of market close on September 29, 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 September 30, 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 four new portfolio companies and one existing portfolio company. The aggregate capital invested during the quarter totaled \$15.5 million, at cost, and the debt investments were made at a weighted average yield of 12.27%.

The Company received proceeds of \$10.3 million from repayments, sales and amortization during the quarter, primarily related to the realization of Fusion Connect, Inc. – 2022 Term Loan.

During the quarter, the Company had net advances of \$0.7 million on its existing and new delayed draw and revolving credit commitment to portfolio companies.

The Company's net realized, and unrealized gains and losses accounted for a decrease in the Company's net investments of approximately \$3.3 million, or \$0.23 per share. The total net decrease in net assets resulting from operations for the quarter was \$1.7 million, or \$(0.12) per share.

As of September 30, 2023, the Company's investment portfolio consisted of investments in 40 portfolio companies, of which 89.67% were first lien investments and 10.33% were equity, warrants, and other investments. The Company's debt portfolio consisted of 99.7% floating rate investments and 0.3% fixed rate investments.

### **Capital Resources**

As of September 30, 2023, the Company had \$14.3 million in cash, of which \$14.2 million was restricted cash, and \$28.8 million of unused and available capacity under its revolving credit facility with Capital One, N.A.

### **Subsequent Events**

Subsequent to September 30, 2023 and through November 13, 2023, the Company invested a total of \$10.6 million, which included investments in three new portfolio companies. As of November 10, 2023, the Company had investments in 41 portfolio companies.

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

	September 30, 2023 (Unaudited)	June 30, 2023
<b>Assets</b>		
Non-controlled, non-affiliated investments, at fair value (amortized cost of \$225,962,819 and \$219,319,251, respectively)	\$ 214,626,088	\$ 210,150,018
Affiliated investments, at fair value (amortized cost of \$23,940,980 and \$23,979,565, respectively)	8,778,195	9,961,311
Total investments, at fair value (amortized cost of \$249,903,799 and \$243,298,816, respectively)	223,404,283	220,111,329
Cash	90,773	1,093,758
Cash, restricted	14,204,127	8,057,458
Principal receivable	191,298	93,581
Interest receivable	1,615,135	2,041,877
Payment-in-kind interest receivable	25,738	46,088
Other receivables	1,050	1,050
Prepaid expenses and other assets	225,456	361,719
<b>Total Assets</b>	<b>\$ 239,757,860</b>	<b>\$ 231,806,860</b>
<b>Liabilities</b>		
Notes payable:		
Revolving credit facility	\$ 69,000,000	\$ 71,900,000
2026 Notes payable	65,000,000	65,000,000
Deferred debt issuance costs	(1,047,222)	(1,220,556)
Unamortized discount	(177,775)	(195,553)
Notes payable, net	132,775,003	135,483,891
Payable for investments purchased	14,841,875	1,795,297
Dividend payable	2,158,926	2,590,520
Income-based incentive fees payable	576,023	576,023
Base management fees payable	1,798,508	906,218
Interest payable	3,007,074	2,293,766
Directors' fees payable	5,130	15,755
Accrued expenses and other liabilities	734,504	445,082
<b>Total Liabilities</b>	<b>155,897,043</b>	<b>144,106,552</b>
<b>Net Assets</b>		
Common stock, par value \$0.001 per share (100,000,000 shares authorized 14,392,841 and 14,391,775 shares issued and outstanding, respectively)	14,393	14,392
Additional paid-in capital	203,331,510	203,327,714
Distributable earnings (loss)	(119,485,086)	(115,641,798)
<b>Total Net Assets</b>	<b>83,860,817</b>	<b>87,700,308</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 239,757,860</b>	<b>\$ 231,806,860</b>
Net Asset Value Per Share	\$ 5.83	\$ 6.09

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

	<b>For the three months ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Investment Income:</b>		
Interest income		
Non-controlled, non-affiliated investments	\$ 5,465,288	\$ 5,609,112
Affiliated investments	—	(20,611)
<b>Total interest income</b>	<b>5,465,288</b>	<b>5,588,501</b>
Payment in-kind interest income		
Non-controlled, non-affiliated investments	81,381	164,734
Affiliated investments	18,800	17,004
<b>Total payment-in-kind interest income</b>	<b>100,181</b>	<b>181,738</b>
Dividend income		
Non-controlled, non-affiliated investments	—	—
Affiliated investments	—	—
<b>Total dividend income</b>	<b>—</b>	<b>—</b>
Payment in-kind dividend income		
Non-controlled, non-affiliated investments	188,251	166,449
Affiliated investments	—	—
<b>Total payment-in-kind dividend income</b>	<b>188,251</b>	<b>166,449</b>
Other fee income		
Non-controlled, non-affiliated investments	143,986	361,850
Affiliated investments	—	—
<b>Total other fee income</b>	<b>143,986</b>	<b>361,850</b>
<b>Total investment income</b>	<b>5,897,706</b>	<b>6,298,538</b>
<b>Expenses:</b>		
Interest expense	2,215,183	1,792,008
Base management fees	978,919	1,103,981
Income-based incentive fees	—	(147,145)
Provision for tax expense	100,747	44,330
Professional fees	227,407	271,781
Allocation of administrative costs from Adviser	263,375	375,900
Amortization of deferred debt issuance costs	173,333	173,333
Amortization of original issue discount - 2026 Notes	17,777	17,777
Insurance expense	112,984	137,821
Directors' fees	73,375	75,625
Custodian and administrator fees	69,292	71,688
Other expenses	124,277	139,481
<b>Total expenses</b>	<b>4,356,669</b>	<b>4,056,580</b>
Waiver of base management fees	(86,630)	(94,146)
Waiver of income-based incentive fees	—	—
<b>Net expenses</b>	<b>4,270,039</b>	<b>3,962,434</b>
<b>Net investment income</b>	<b>1,627,667</b>	<b>2,336,104</b>
<b>Net realized and unrealized gain/(loss) on investments:</b>		
Net realized gain (loss) from investments		
Non-controlled, non-affiliated investments	—	—
Affiliated investments	—	—
Net realized gain (loss) from investments	—	—
Net change in unrealized appreciation (depreciation) in value of investments		
Non-controlled, non-affiliated investments	(2,167,498)	(464,275)
Affiliated investments	(1,144,531)	(214,322)
Net change in unrealized appreciation (depreciation) on investments	(3,312,029)	(678,597)
<b>Total realized gain (loss) and change in unrealized appreciation (depreciation) on investments</b>	<b>(3,312,029)</b>	<b>(678,597)</b>
<b>Net increase (decrease) in net assets resulting from operations</b>	<b>\$ (1,684,362)</b>	<b>\$ 1,657,507</b>
Basic and diluted:		
Net investment income per share	\$ 0.11	\$ 0.16
Earnings per share	\$ (0.12)	\$ 0.12
Weighted average shares of common stock outstanding	14,392,714	14,386,809
<b>Distributions paid per common share</b>	<b>\$ 0.15</b>	<b>\$ 0.15</b>

## **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 \$50 million and earnings before interest, taxes, depreciation, and amortization of at least \$15 million. 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 September 30, 2023, 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, 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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