

Investcorp Credit Management BDC, Inc. Announces Revised Financial Results for the Quarter Ended December 31, 2023, and Quarterly and Supplemental Distribution

Investcorp Credit Management BDC, Inc. (NASDAQ: ICMB) (“ICMB” or the “Company”) announced its revised financial results today for its fiscal second quarter ended December 31, 2023, to reflect approximately \$388,000 (or approximately \$0.02 per share) of adjustments relating to the incorrect accrual of certain expenses reported in the Company’s consolidated financial statements contained in a press release issued by the Company February 12, 2024.

HIGHLIGHTS

- **On February 8, 2024, the Company’s Board of Directors (the “Board”) declared a distribution of \$0.12 per share for the quarter ending March 31, 2024, payable in cash on April 5, 2024, to stockholders of record as of March 15, 2024 and a supplemental distribution of \$0.03 per share, payable on April 5, 2024, to stockholders of record as of March 15, 2024.**
- **During the quarter, ICMB made investments in five new portfolio companies and one existing portfolio company. These investments totaled \$18.1 million, at cost. The weighted average yield (at origination) of debt investments made in the quarter was 12.13%.**
- **ICMB fully realized four portfolio companies during the quarter, totaling \$29.2 million in proceeds. The internal rate of return on this investment was 14.2%.**
- **During the quarter, the Company had net advances of \$0.3 million on its existing and new delayed draw and revolving credit commitments to portfolio companies.**
- **The weighted average yield on debt investments, at cost, for the quarter ended December 31, 2023, was 11.46%, compared to 11.01% for the quarter ended September 30, 2023.**
- **Net asset value decreased \$0.35 per share to \$5.48, compared to \$5.83 as of September 30, 2023. Net assets decreased by \$5.0 million, or 6.0%, during the quarter ended December 31, 2023 compared to September 30, 2023.**

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

| | |
|--|-----------|
| Total assets | \$224.3mm |
| Investment portfolio, at fair value | \$207.4mm |
| Net assets | \$78.8mm |
| Weighted average yield on debt investments, at cost ⁽¹⁾ | 11.46% |
| Net asset value per share | \$5.48 |
| Portfolio activity in the current quarter: | |
| Number of new investments | 5 |
| Number of portfolio companies, end of period | 44 |
| Total capital invested | \$18.1mm |
| Proceeds from repayments, sales, and amortization | \$31.1mm |
| Net investment income (NII) | \$1.6mm |
| Net investment income per share | \$0.11 |
| Net decrease in net assets from operations | \$(2.9)mm |
| Net decrease in net assets from operations per share | \$(0.20) |
| Quarterly per share distribution paid on December 31, 2023 | \$0.15 |

(1) Represents weighted average yield on total debt investments for the three months ended December 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.

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 February 8, 2024, the Board declared a distribution for the quarter ended March 31, 2024 of \$0.12 per share payable on April 5, 2024 to stockholders of record as of March 15, 2024 and a supplemental distribution of \$0.03 per share, payable on April 5, 2024, to stockholders of record as of March 15, 2024.

This distribution represents a 16.85% yield on the Company's \$3.56 share price as of market close on December 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 December 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 five new portfolio companies and one existing portfolio company. The aggregate capital invested during the quarter totaled \$18.1 million, at cost, and the debt investments were made at a weighted average yield of 12.13%.

The Company received proceeds of \$31.1 million from repayments, sales and amortization during the quarter, primarily related to the realization of Cook & Boardman Group LLC, Advanced Solutions International, NWN Parent Holdings LLC and Archer Systems LLC.

During the quarter, the Company had net advances of \$0.3 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 \$4.4 million, or \$0.31 per share. The total net decrease in net assets resulting from operations for the quarter was \$2.9 million, or \$(0.20) per share.

As of December 31, 2023, the Company's investment portfolio consisted of investments in 44 portfolio companies, of which 84.97% were first lien investments and 15.03% 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 December 31, 2023, the Company had \$14.7 million in cash, of which \$11.6 million was restricted cash, and \$30.0 million of unused and available capacity under its revolving credit facility with Capital One, N.A.

Subsequent Events

From January 1, 2024 through February 16, 2024, the Company made advances of approximately \$0.4 million on one existing revolving credit commitment to one portfolio company, and received approximately \$4.7 million from the repayment of two positions for one portfolio company.

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

| | December 31, 2023 (Unaudited) | June 30, 2023 |
|---|--|-----------------------|
| Assets | | |
| Non-controlled, non-affiliated investments, at fair value (amortized cost of \$208,587,401 and \$219,319,251, respectively) | \$ 198,904,947 | \$ 210,150,018 |
| Affiliated investments, at fair value (amortized cost of \$23,866,290 and \$23,979,565, respectively) | 8,476,606 | 9,961,311 |
| Total investments, at fair value (amortized cost of \$232,453,691 and \$243,298,816, respectively) | 207,381,553 | 220,111,329 |
| Cash | 3,092,224 | 1,093,758 |
| Cash, restricted | 11,572,138 | 8,057,458 |
| Principal receivable | 89,224 | 93,581 |
| Interest receivable | 1,346,541 | 2,041,877 |
| Payment-in-kind interest receivable | 152,406 | 46,088 |
| Due from affiliate | 515,361 | — |
| Other receivables | — | 1,050 |
| Prepaid expenses and other assets | 160,442 | 361,719 |
| Total Assets | \$ 224,309,889 | \$ 231,806,860 |
| Liabilities | | |
| Notes payable: | | |
| Revolving credit facility | \$ 70,000,000 | \$ 71,900,000 |
| 2026 Notes payable | 65,000,000 | 65,000,000 |
| Deferred debt issuance costs | (961,761) | (1,220,556) |
| Unamortized discount | (159,998) | (195,553) |
| Notes payable, net | 133,878,241 | 135,483,891 |
| Payable for investments purchased | 5,500,000 | 1,795,297 |
| Dividend payable | 2,159,237 | 2,590,520 |
| Income-based incentive fees payable | 128,876 | 576,023 |
| Base management fees payable | 871,955 | 906,218 |
| Interest payable | 2,268,211 | 2,293,766 |
| Directors' fees payable | 4,343 | 15,755 |
| Accrued expenses and other liabilities | 658,043 | 445,082 |
| Total Liabilities | 145,468,906 | 144,106,552 |
| Net Assets | | |
| Common stock, par value \$0.001 per share (100,000,000 shares authorized 14,394,916 and 14,391,775 shares issued and outstanding, respectively) | 14,395 | 14,392 |
| Additional paid-in capital | 203,338,613 | 203,327,714 |
| Distributable earnings (loss) | (124,512,025) | (115,641,798) |
| Total Net Assets | 78,840,983 | 87,700,308 |
| Total Liabilities and Net Assets | \$ 224,309,889 | \$ 231,806,860 |
| Net Asset Value Per Share | \$ 5.48 | \$ 6.09 |

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

| | For the three months ended December 31, | | For the six months ended December 31, | |
|---|--|--------------------|--|---------------------|
| | 2023 | 2022 | 2023 | 2022 |
| Investment Income: | | | | |
| Interest income | | | | |
| Non-controlled, non-affiliated investments | \$ 5,153,599 | \$ 6,260,515 | \$ 10,618,887 | \$ 11,869,627 |
| Affiliated investments | 540 | — | 540 | (20,611) |
| Total interest income | 5,154,139 | 6,260,515 | 10,619,427 | 11,849,016 |
| Payment in-kind interest income | | | | |
| Non-controlled, non-affiliated investments | 586,119 | 17,933 | 667,500 | 182,667 |
| Affiliated investments | 19,280 | 17,443 | 38,080 | 34,447 |
| Total payment-in-kind interest income | 605,399 | 35,376 | 705,580 | 217,114 |
| Dividend income | | | | |
| Non-controlled, non-affiliated investments | — | 101,755 | — | 101,755 |
| Affiliated investments | — | — | — | — |
| Total dividend income | — | 101,755 | — | 101,755 |
| Payment in-kind dividend income | | | | |
| Non-controlled, non-affiliated investments | 194,182 | 171,693 | 382,433 | 338,142 |
| Affiliated investments | — | — | — | — |
| Total payment-in-kind dividend income | 194,182 | 171,693 | 382,433 | 338,142 |
| Other fee income | | | | |
| Non-controlled, non-affiliated investments | 289,468 | 210,578 | 433,454 | 572,428 |
| Affiliated investments | — | — | — | — |
| Total other fee income | 289,468 | 210,578 | 433,454 | 572,428 |
| Total investment income | 6,243,188 | 6,779,917 | 12,140,894 | 13,078,455 |
| Expenses: | | | | |
| Interest expense | 2,259,936 | 2,160,336 | 4,475,119 | 3,952,344 |
| Base management fees | 980,260 | 1,057,104 | 1,959,179 | 2,161,085 |
| Income-based incentive fees | (72,942) | — | (72,942) | (147,145) |
| Provision for tax expense | 109,497 | 65,858 | 210,244 | 110,188 |
| Professional fees | 398,981 | 271,782 | 626,388 | 543,563 |
| Allocation of administrative costs from Adviser | 629,045 | 375,900 | 892,420 | 751,800 |
| Amortization of deferred debt issuance costs | 97,961 | 173,334 | 271,294 | 346,667 |
| Amortization of original issue discount - 2026 Notes | 17,778 | 17,778 | 35,555 | 35,555 |
| Insurance expense | 112,984 | 137,820 | 225,968 | 275,641 |
| Directors' fees | 72,875 | 75,625 | 146,250 | 151,250 |
| Custodian and administrator fees | 77,569 | 71,828 | 146,861 | 143,516 |
| Other expenses | 91,550 | 136,334 | 215,827 | 275,815 |
| Total expenses | 4,775,494 | 4,543,699 | 9,132,163 | 8,600,279 |
| Waiver of base management fees | (108,265) | (112,481) | (194,895) | (206,627) |
| Waiver of income-based incentive fees | — | — | — | — |
| Net expenses | 4,667,229 | 4,431,218 | 8,937,268 | 8,393,652 |
| Net investment income | 1,575,959 | 2,348,699 | 3,203,626 | 4,684,803 |
| Net realized and unrealized gain/(loss) on investments: | | | | |
| Net realized gain (loss) from investments | | | | |
| Non-controlled, non-affiliated investments | (5,871,039) | — | (5,871,039) | — |
| Affiliated investments | — | — | — | — |
| Net realized gain (loss) from investments | (5,871,039) | — | (5,871,039) | — |
| Net change in unrealized appreciation (depreciation) in value of investments | | | | |
| Non-controlled, non-affiliated investments | 1,654,277 | (1,649,361) | (513,221) | (2,113,636) |
| Affiliated investments | (226,899) | (82,479) | (1,371,430) | (296,801) |
| Net change in unrealized appreciation (depreciation) on investments | 1,427,378 | (1,731,840) | (1,884,651) | (2,410,437) |
| Total realized gain (loss) and change in unrealized appreciation (depreciation) on investments | (4,443,661) | (1,731,840) | (7,755,690) | (2,410,437) |
| Net increase (decrease) in net assets resulting from operations | \$ (2,867,702) | \$ 616,859 | \$ (4,552,064) | \$ 2,274,366 |
| Basic and diluted: | | | | |
| Net investment income per share | \$ 0.11 | \$ 0.16 | \$ 0.22 | \$ 0.33 |
| Earnings per share | \$ (0.20) | \$ 0.04 | \$ (0.32) | \$ 0.16 |
| Weighted average shares of common stock outstanding | 14,394,081 | 14,388,242 | 14,393,398 | 14,387,526 |
| Distributions paid per common share | \$ 0.15 | \$ 0.15 | \$ 0.30 | \$ 0.30 |

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.

Forward-Looking Statements

Statements included in this press release and made on the earnings call for the quarter ended December 31, 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.

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