

Investcorp Credit Management BDC, Inc. Announces Financial Results for the Quarter Ended March 31, 2024, and Quarterly and Supplemental Distribution

Investcorp Credit Management BDC, Inc. (NASDAQ: ICMB) (“ICMB” or the “Company”) announced its financial results today for its fiscal third quarter ended March 31, 2024.

HIGHLIGHTS

- **On April 12, 2024, the Company’s Board of Directors (the “Board”) declared a distribution of \$0.12 per share for the quarter ending June 30, 2024, payable in cash on June 14, 2024, to stockholders of record as of May 26, 2024 and a supplemental distribution of \$0.03 per share, payable on June 14, 2024, to stockholders of record as of May 26, 2024.**
- **During the quarter, ICMB made investments in no new portfolio companies and four existing portfolio companies. These investments totaled \$8.9 million, at cost. The weighted average yield (at origination) of debt investments made in the quarter was 12.49%.**
- **ICMB fully realized its investments in six portfolio companies during the quarter, totaling \$21.2 million in proceeds. The internal rate of return on these investments was 17.09%.**
- **During the quarter, the Company had net repayments of \$3.8 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, 2024, was 12.36%, compared to 11.46% for the quarter ended December 31, 2023.**
- **Net asset value increased \$0.01 per share to \$5.49, compared to \$5.48 as of December 31, 2023. Net assets increased by \$0.3 million, or 0.33%, during the quarter ended March 31, 2024 compared to December 31, 2023.**

Portfolio results, as of and for the three months ended March 31, 2024:

Total assets	\$210.0mm
Investment portfolio, at fair value	\$192.2mm
Net assets	\$79.1mm
Weighted average yield on debt investments, at cost ⁽¹⁾	12.36%
Net asset value per share	\$5.49
Portfolio activity in the current quarter:	
Number of investments in new portfolio companies during the period	0
Number of portfolio companies invested in, end of period	40
Total capital invested in existing portfolio companies ⁽²⁾	\$10.2mm
Total proceeds from repayments, sales, and amortization ⁽³⁾	\$26.7mm
Net investment income (NII)	\$2.1mm
Net investment income per share	\$0.14
Net increase in net assets from operations	\$2.4mm
Net increase in net assets from operations per share	\$0.17
Quarterly per share distribution paid on March 31, 2024	\$0.15

(1) Represents weighted average yield on total debt investments for the three months ended March 31, 2024. 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.

(2) Includes gross advances to existing revolving credit commitments to portfolio companies and PIK interest

(3) Includes gross repayments on existing delayed draw and revolving credit commitments to portfolio companies

Mr. Suhail A. Shaikh said "As of yesterday, I have been appointed as Chief Executive Officer of ICMB, effective immediately, and will now serve as the sole Chief Investment Officer of the advisor. It is in honor to be named CEO at this time where the current lending environment favors alternative lenders such as business development companies, and we are well positioned to execute our business strategy in the current market. I want to thank Mike Mauer and am grateful to have

him as a partner. Mike will continue to serve as Chairman of ICMB and will become Vice Chairman of the advisor's private credit business. Mike will continue to serve on the investment committee of the advisor to provide his guidance and experience for the next chapter of our business. I look forward to working with Mike and the rest of the team to create shareholder value."

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 April 12, 2024, the Board declared a distribution for the quarter ended June 30, 2024 of \$0.12 per share payable on June 14, 2024 to stockholders of record as of May 26, 2024 and a supplemental distribution of \$0.03 per share, payable on June 14, 2024, to stockholders of record as of May 26, 2024.

This distribution represents a 19.29% yield on the Company's \$3.11 share price as of market close on March 28, 2024. 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, 2024, 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 no new portfolio companies and four existing portfolio companies. The aggregate capital invested during the quarter totaled \$8.9 million, at cost, and the debt investments were made at a weighted average yield of 12.49%.

The Company received proceeds of \$26.7 million from repayments, sales and amortization during the quarter, primarily related to the realization of Evergreen North America Acquisitions, LLC, AMCP Clean Acquisition Company LLC, Amerequip, LLC, AHF Parent Holding, Inc., LSF9 Atlantis Holdings LLC (Victra) and 1888 Industrial Services, LLC.

During the quarter, the Company had net repayments of \$3.8 million on its existing delayed draw and revolving credit commitment to portfolio companies.

The Company's net realized, and unrealized gains and losses accounted for an increase in the Company's net investments of approximately \$0.3 million, or \$0.02 per share. The total net increase in net assets resulting from operations for the quarter was \$2.4 million, or \$0.17 per share.

As of March 31, 2024, the Company's investment portfolio consisted of investments in 40 portfolio companies, of which 83.82% were first lien investments and 16.18% were equity, warrants, and other investments. The Company's debt portfolio consisted of 99.6% floating rate investments and 0.4% fixed rate investments.

Capital Resources

As of March 31, 2024, the Company had \$12.9 million in cash, of which \$10.2 million was restricted cash, and \$42.5 million of unused and available capacity under its revolving credit facility with Capital One, N.A.

Subsequent Events

From April 1, 2024 through May 14, 2024, the Company invested \$10.5 million in two new portfolio companies and one existing portfolio company and received approximately \$13.8 million from the repayment of two positions.

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

	March 31, 2024 (Unaudited)	June 30, 2023
Assets		
Non-controlled, non-affiliated investments, at fair value (amortized cost of \$195,540,865 and \$219,319,251, respectively)	\$ 186,948,019	\$ 210,150,018
Affiliated investments, at fair value (amortized cost of \$15,129,208 and \$23,979,565, respectively)	5,255,262	9,961,311
Total investments, at fair value (amortized cost of \$210,670,073 and \$243,298,816, respectively)	192,203,281	220,111,329
Cash	2,728,347	1,093,758
Cash, restricted	10,161,162	8,057,458
Receivable for investments sold	1,972,100	—
Principal receivable	47,692	93,581
Interest receivable	1,304,722	2,041,877
Payment-in-kind interest receivable	59,166	46,088
Due from affiliate	175,916	—
Long-term receivable	618,772	—
Escrow receivable	95,190	—
Other receivables	—	1,050
Prepaid expenses and other assets	604,201	361,719
Total Assets	\$ 209,970,549	\$ 231,806,860
Liabilities		
Notes payable:		
Revolving credit facility	\$ 57,500,000	\$ 71,900,000
2026 Notes payable	65,000,000	65,000,000
Deferred debt issuance costs	(1,807,459)	(1,220,556)
Unamortized discount	(142,220)	(195,553)
Notes payable, net	120,550,321	135,483,891
Payable for investments purchased	3,487,533	1,795,297
Dividend payable	2,159,568	2,590,520
Income-based incentive fees payable	128,876	576,023
Base management fees payable	854,328	906,218
Interest payable	2,972,954	2,293,766
Directors' fees payable	—	15,755
Accrued expenses and other liabilities	716,004	445,082
Total Liabilities	130,869,584	144,106,552
Net Assets		
Common stock, par value \$0.001 per share (100,000,000 shares authorized 14,397,121 and 14,391,775 shares issued and outstanding, respectively)	14,397	14,392
Additional paid-in capital	203,346,421	203,327,714
Distributable earnings (loss)	(124,259,853)	(115,641,798)
Total Net Assets	79,100,965	87,700,308
Total Liabilities and Net Assets	\$ 209,970,549	\$ 231,806,860
Net Asset Value Per Share	\$ 5.49	\$ 6.09

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,	
	2024	2023	2024	2023
Investment Income:				
Interest income				
Non-controlled, non-affiliated investments	\$ 5,561,333	\$ 6,314,620	\$ 16,180,220	\$ 18,184,247
Affiliated investments	28,830	—	29,370	(20,611)
Total interest income	5,590,163	6,314,620	16,209,590	18,163,636
Payment in-kind interest income				
Non-controlled, non-affiliated investments	613,765	401,978	1,281,265	584,645
Affiliated investments	19,553	17,491	57,633	51,938
Total payment-in-kind interest income	633,318	419,469	1,338,898	636,583
Dividend income				
Non-controlled, non-affiliated investments	54,138	—	54,138	101,755
Affiliated investments	—	—	—	—
Total dividend income	54,138	—	54,138	101,755
Payment in-kind dividend income				
Non-controlled, non-affiliated investments	198,123	173,253	580,556	511,395
Affiliated investments	—	—	—	—
Total payment-in-kind dividend income	198,123	173,253	580,556	511,395
Other fee income				
Non-controlled, non-affiliated investments	142,347	98,498	575,801	670,926
Affiliated investments	—	—	—	—
Total other fee income	142,347	98,498	575,801	670,926
Total investment income	6,618,089	7,005,840	18,758,983	20,084,295
Expenses:				
Interest expense	2,174,195	2,166,739	6,649,314	6,119,083
Base management fees	951,799	1,043,306	2,910,978	3,204,391
Income-based incentive fees	—	—	(72,942)	(147,145)
Provision for tax expense	111,646	77,575	321,890	187,763
Professional fees	354,934	271,784	981,322	815,347
Allocation of administrative costs from Adviser	225,856	375,900	1,118,276	1,127,700
Amortization of deferred debt issuance costs	152,591	173,333	423,885	520,000
Amortization of original issue discount - 2026 Notes	17,777	17,777	53,332	53,332
Insurance expense	125,766	120,093	351,734	395,734
Directors' fees	75,157	75,625	221,407	226,875
Custodian and administrator fees	68,031	74,397	214,892	217,913
Other expenses	379,406	151,093	595,233	426,908
Total expenses	4,637,158	4,547,622	13,769,321	13,147,901
Waiver of base management fees	(97,431)	(89,939)	(292,326)	(296,566)
Waiver of income-based incentive fees	—	—	—	—
Net expenses	4,539,727	4,457,683	13,476,995	12,851,335
Net investment income	2,078,362	2,548,157	5,281,988	7,232,960
Net realized and unrealized gain/(loss) on investments:				
Net realized gain (loss) from investments				
Non-controlled, non-affiliated investments	(31,984)	(26,890,095)	(5,903,023)	(26,890,095)
Affiliated investments	(6,239,984)	—	(6,239,984)	—
Net realized gain (loss) from investments	(6,271,968)	(26,890,095)	(12,143,007)	(26,890,095)
Net change in unrealized appreciation (depreciation) in value of investments				
Non-controlled, non-affiliated investments	1,089,608	24,505,471	576,387	22,391,835
Affiliated investments	5,515,738	(1,267,677)	4,144,308	(1,564,478)
Net change in unrealized appreciation (depreciation) on investments	6,605,346	23,237,794	4,720,695	20,827,357
Total realized gain (loss) and change in unrealized appreciation (depreciation) on investments	333,378	(3,652,301)	(7,422,312)	(6,062,738)
Net increase (decrease) in net assets resulting from operations	\$ 2,411,740	\$ (1,104,144)	\$ (2,140,324)	\$ 1,170,222
Basic and diluted:				
Net investment income per share	\$ 0.14	\$ 0.18	\$ 0.37	\$ 0.50
Earnings per share	\$ 0.17	\$ (0.08)	\$ (0.15)	\$ 0.08
Weighted average shares of common stock outstanding	14,396,951	14,389,868	14,394,574	14,388,295
Distributions paid per common share	\$ 0.15	\$ 0.15	\$ 0.45	\$ 0.45

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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