



## Fidus Investment Corporation Announces Fourth Quarter And Full Year 2021 Financial Results

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Base Dividend of \$0.36 Per Share Declared for First Quarter 2022  
Board of Directors Declared Supplemental Dividend of \$0.17 Per Share

EVANSTON, Ill., March 03, 2022 (GLOBE NEWSWIRE) -- Fidus Investment Corporation (NASDAQ:FDUS) ("Fidus" or the "Company"), a provider of customized debt and equity financing solutions, primarily to lower middle-market companies based in the United States, today announced its financial results for the fourth quarter and full year ended December 31, 2021.

### Fourth Quarter 2021 Financial Highlights

- Total investment income of \$24.1 million
- Net investment income of \$2.4 million, or \$0.10 per share
- Adjusted net investment income of \$12.0 million, or \$0.49 per share<sup>(1)</sup>
- Net increase in net assets resulting from operations of \$50.2 million, or \$2.06 per share
- Invested \$101.2 million in debt and equity securities, including six new portfolio companies
- Received proceeds from repayments and realizations of \$153.7 million
- Paid supplemental dividend of \$0.04 per share, special dividend of \$0.05 per share, and regular quarterly dividend of \$0.32 per share on December 17, 2021
- Net asset value ("NAV") of \$487.8 million, or \$19.96 per share, as of December 31, 2021

### Full Year 2021 Financial Highlights

- Total investment income of \$90.4 million
- Net investment income of \$25.1 million, or \$1.03 per share
- Adjusted net investment income of \$43.3 million, or \$1.77 per share<sup>(1)</sup>
- Net increase in net assets resulting from operations of \$116.1 million, or \$4.75 per share
- Invested \$346.7 million in debt and equity securities, including 18 new portfolio companies
- Received proceeds from repayments and realizations of \$472.8 million
- Paid regular dividends totaling \$1.26 per share, supplemental dividends of \$0.25 per share, and special dividends of \$0.09 per share.
- Estimated spillover income (or taxable income in excess of distributions) as of December 31, 2021 of \$38.1 million, or \$1.56 per share

### Management Commentary

"The fourth quarter capped off a year of heightened level of deal activity in the lower middle market, strong operating performance and underlying portfolio value appreciation. Boosted by \$42.1 million in net realized gains as we continued to monetize equity investments, NAV grew to \$487.8 million, or \$19.96 per share. In recognition of our strong portfolio performance throughout the year and high levels of net realized gains, the Board of Directors elected to increase the total dividend to shareholders to \$0.53 per share for the first quarter of 2022," said Edward Ross, Chairman and CEO of Fidus Investment Corporation. "From an originations perspective, we maintained our focus on companies that are relatively insulated from cost pressures impacting the current business environment. However, due to a number of deals closing late in the quarter, repayments outpaced originations for the quarter. Looking ahead, our proven underwriting principles, relationships with deal sponsors and strategy of selectively investing in high-quality companies with defensive characteristics and positive long-term outlooks keep us well positioned to generate attractive risk-adjusted returns for the benefit of our shareholders."

### (1) Supplemental information regarding adjusted net investment income:

*On a supplemental basis, we provide information relating to adjusted net investment income, which is a non-GAAP measure. This measure is provided in addition to, but not as a substitute for, net investment income. Adjusted net investment income represents net investment income excluding any capital gains incentive fee expense or (reversal) attributable to realized and unrealized gains and losses. The management agreement with our investment adviser provides that a capital gains incentive fee is determined and paid annually with respect to cumulative realized capital gains (but not unrealized capital gains) to the extent such realized capital gains exceed realized and unrealized losses. In addition, we accrue, but do not pay, a capital gains incentive fee in connection with any unrealized capital appreciation, as appropriate. As such, we believe that adjusted net investment*

income is a useful indicator of operations exclusive of any capital gains incentive fee expense or (reversal) attributable to realized and unrealized gains and losses. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. Reconciliations of net investment income to adjusted net investment income are set forth in Schedule 1.

#### Fourth Quarter 2021 Financial Results

The following table provides a summary of our operating results for the three months ended December 31, 2021, as compared to the same period in 2020 (dollars in thousands, except per share data):

|   | Three Months Ended December 31, |           | \$ Change  | % Change |
|---|---------------------------------|-----------|------------|----------|
|   | 2021                            | 2020      |            |          |
| Interest income   | \$ 18,290                       | \$ 18,424 | \$ (134)   | (0.7 %)  |
| Payment-in-kind interest income   | 962                             | 1,149     | (187)      | (16.3 %) |
| Dividend income   | 1,258                           | 1,842     | (584)      | (31.7 %) |
| Fee income  | 3,590                           | 2,215     | 1,375      | 62.1 %   |
| Interest on idle funds  | 1                               | -         | 1          | NM       |
| Total investment income   | \$ 24,101                       | \$ 23,630 | \$ 471     | 2.0 %    |
| Net investment income   | \$ 2,448                        | \$ 6,038  | \$ (3,590) | (59.5 %) |
| Net investment income per share   | \$ 0.10                         | \$ 0.25   | \$ (0.15)  | (60.0 %) |
| Adjusted net investment income <sup>(1)</sup>                             | \$ 12,006                       | \$ 10,734 | \$ 1,272   | 11.9 %   |
| Adjusted net investment income per share <sup>(1)</sup>                   | \$ 0.49                         | \$ 0.44   | \$ 0.05    | 11.4 %   |
| Net increase (decrease) in net assets resulting from operations           | \$ 50,238                       | \$ 29,517 | \$ 20,721  | 70.2 %   |
| Net increase (decrease) in net assets resulting from operations per share | \$ 2.06                         | \$ 1.20   | \$ 0.86    | 71.7 %   |

The \$0.5 million increase in total investment income for the three months ended December 31, 2021, as compared to the same period in 2020 was primarily attributable to (i) a \$1.4 million increase in fee income resulting from an increase in origination, management and prepayment fees, (ii) a \$0.3 million decrease in total interest income resulting from a decrease in average debt investment balances outstanding, and (iii) a \$0.6 million decrease in dividend income due to decreased levels of distributions received from equity investments.

For the three months ended December 31, 2021, total expenses, including the base management and income incentive fee waivers and income tax provision, were \$21.7 million, an increase of \$4.1 million, or 23.1% from the \$17.6 million of total expenses, including the base management and income incentive fee waivers and income tax provision, for the three months ended December 31, 2020. The increase was primarily attributable to (i) a \$4.9 million increase in capital gains incentive fee accrued, (ii) a \$0.2 million decrease in professional fees, and (iii) a \$0.2 million decrease in interest and financing expenses due to a decrease in average borrowings outstanding and the weighted average interest rate.

Net investment income decreased by \$3.6 million, or (59.5%), to \$2.4 million during the three months ended December 31, 2021 as compared to the same period in 2020, as a result of the \$4.1 million increase in total expenses, including base management and income incentive fee waivers and income tax provision partially offset by the \$0.5 million increase in total investment income. Adjusted net investment income,<sup>(1)</sup> which excludes the capital gains incentive fee accrual, increased by \$1.3 million, or 11.9%, to \$12.0 million.

For the three months ended December 31, 2021, the total net realized gain/(loss) on investments, net of income tax (provision)/benefit on realized gains, was \$39.9 million, as compared to total net realized gain/(loss) on investments, net of income tax (provision)/benefit on realized gains, of \$(33.4) million for the same period in 2020.

#### Full Year 2021 Financial Results

The following table provides a summary of our operating results for the year ended December 31, 2021 as compared to the same period in 2020 (dollars in thousands, except per share data):

|  | Years Ended December 31, |           | \$ Change   | % Change |
|--|--------------------------|-----------|-------------|----------|
|  | 2021                     | 2020      |             |          |
| Interest income  | \$ 73,078                | \$ 73,495 | \$ (417)    | (0.6 %)  |
| Payment-in-kind interest income                                | 4,294                    | 4,660     | (366)       | (7.9 %)  |
| Dividend income  | 2,635                    | 2,467     | 168         | 6.8 %    |
| Fee income   | 10,431                   | 4,492     | 5,939       | 132.2 %  |
| Interest on idle funds   | 8                        | 9         | (1)         | (11.1 %) |
| Total investment income  | \$ 90,446                | \$ 85,123 | \$ 5,323    | 6.3 %    |
| Net investment income  | \$ 25,120                | \$ 39,648 | \$ (14,528) | (36.6 %) |
| Net investment income per share                                | \$ 1.03                  | \$ 1.62   | \$ (0.59)   | (36.4 %) |
| Adjusted net investment income <sup>(1)</sup>                  | \$ 43,316                | \$ 37,964 | \$ 5,352    | 14.1 %   |
| Adjusted net investment income per share <sup>(1)</sup>        | \$ 1.77                  | \$ 1.55   | \$ 0.22     | 14.2 %   |
| Net increase in net assets resulting from operations           | \$ 116,104               | \$ 31,226 | \$ 84,878   | 271.8 %  |
| Net increase in net assets resulting from operations per share | \$ 4.75                  | \$ 1.28   | \$ 3.47     | 271.1 %  |

The \$5.3 million increase in total investment income for the year ended December 31, 2021 as compared to the same period in 2020 was primarily attributable to (i) a \$5.9 million increase in fee income resulting from an increase in origination, management and prepayment fee income, (ii) a \$0.2

million increase in dividend income due to increased levels of distributions received from equity investments, and (iii) a \$0.8 million decrease in total interest income resulting from a decrease in average debt investment balances outstanding, partially offset by a higher weighted average yield on debt investment balances outstanding.

For the year ended December 31, 2021, total expenses, including the base management and incentive fee waivers and income tax provision, were \$65.3 million, an increase of \$19.8 million or 43.7%, from the \$45.5 million of total expenses, including income tax provision, for the year ended December 31, 2020. The increase was primarily attributable to (i) a \$19.9 million increase in capital gains incentive fees and a \$1.7 million increase in income incentive fees including the one-time income incentive fee waiver in 2020, (ii) a \$0.5 million decrease in interest and financing expenses due to a decrease in average borrowings outstanding and a decrease in weighted average interest rate on borrowings, and (iii) a \$0.8 million decrease in professional fees.

Net investment income decreased by \$14.5 million, or (36.6%), to \$25.1 million during the year ended December 31, 2021 as compared to the same period in 2020, as a result of the \$19.8 million increase in total expenses, including the base management and incentive fee waivers and income tax provision, partially offset by the \$5.3 million increase in total investment income. Adjusted net investment income,<sup>(1)</sup> which excludes the capital gains incentive fee accrual, increased by \$5.3 million, or 14.1%, to \$43.3 million.

For the year ended December 31, 2021, the total net realized gain on investments, net of income tax provision on realized gains, was \$53.8 million, as compared to total net realized loss on investments, net of income tax provision on realized gains, of \$(1.5) million for the same period in 2020.

#### Portfolio and Investment Activities

As of December 31, 2021, the fair value of our investment portfolio totaled \$719,124 and consisted of 70 active portfolio companies and eight portfolio companies that have sold their underlying operations. Our total portfolio investments at fair value were approximately 115.7% of the related cost basis as of December 31, 2021. As of December 31, 2021, 32 portfolio company's debt investments bore interest at a variable rate, which represented \$376.0 million, or 68.4%, of our debt investment portfolio on a fair value basis, and the remainder of our debt investment portfolio was comprised of fixed rate investments. As of December 31, 2021, our average active portfolio company investment at amortized cost was \$8.8 million, which excludes investments in the eight portfolio companies that have sold their underlying operations. The weighted average yield on debt investments was 12.3% as of December 31, 2021. The weighted average yield was computed using the effective interest rates for debt investments at cost as of December 31, 2021, including the accretion of original issue discounts and loan origination fees, but excluding investments on non-accrual status and investments recorded as a secured borrowing, if any.

Fourth quarter 2021 investment activity included the following new portfolio company investments:

- Acendre Midco, Inc., a market leading provider of cloud-based talent management software solutions. Fidus invested \$18.5 million in first lien debt, revolving loans, common equity, and warrants.
- Auto CRM LLC (dba Dealer Holdings), a leading SaaS-based provider of customer communication software to the auto repair market. Fidus invested \$8.5 million in first lien debt, subordinated debt, and common equity.
- Green Cubes Technology, LLC (dba Green Cubes), a leading provider of lithium power systems for motive, mobile, and stationary power in the industrial automation, material handling, and telecom markets. Fidus invested \$13.0 million in first lien debt.
- Mobilewalla, Inc., a leading provider of consumer intelligence solutions. Fidus invested \$5.7 million in first lien debt.
- Netbase Solutions, Inc. (dba Netbase Quid), a global leader in artificial intelligence-powered consumer and market intelligence. Fidus invested \$16.5 million in first lien debt.
- Suited Connector LLC, a leading marketing technology platform for digital customer acquisition across most consumer verticals, including financial services, home services, and insurance. Fidus invested \$16.8 million in second lien debt and common equity.

#### Liquidity and Capital Resources

As of December 31, 2021, we had \$169.4 million in cash and cash equivalents and \$100.0 million of unused capacity under our senior secured revolving credit facility (the "Credit Facility"). As of December 31, 2021, we had SBA debentures outstanding of \$107.0 million, \$125.0 million outstanding of our 4.75% notes due January 2026 (the "January 2026 Notes") and \$125.0 million outstanding of our 3.50% notes due November 2026 (the "November 2026 Notes" and collectively with the January Notes the "Notes"). As of December 31, 2021, the weighted average interest rate on total debt outstanding was 3.7%.

#### Subsequent Events

On January 7, 2022, we issued an additional \$1.5 million in SBA debentures.

On February 1, 2022, we invested \$10.8 million in first lien debt and common equity of a leading provider of alternative out-of-home advertising across the C-store & gas station, retail, truckside & transit markets, among others.

On February 8, 2022, we exited our debt investments in Mirage Trailers LLC. We received payment in full of \$6.7 million on our second lien debt.

On February 15, 2022, we issued an additional \$19.5 million in SBA debentures.

On February 17, 2022, we invested \$22.4 million in first lien debt and common equity of Micronics Filtration Holdings, Inc. (dba Micronics Engineered Filtration Group, Inc.), a global provider of aftermarket and OEM filtration equipment and consumables for use in mining, chemical, wastewater and various other industrial end markets.

On February 18, 2022, we received a distribution on our equity investment in Frontline Food Services, LLC (f/k/a Accent Food Services, LLC), resulting in a realized gain of approximately \$0.2 million.

On February 25, 2022, we issued an additional \$10.5 million in SBA debentures.

On February 28, 2022, we repaid \$20.0 million of SBA debentures with a weighted average interest rate of 2.819% which would have matured on dates ranging from March 2025 to March 2028.

On March 1, 2022, we invested \$15.0 million in second lien debt of Quest Software US Holdings, Inc., a global cybersecurity, data intelligence, and IT operations management software provider.

On March 1, 2022, we received a distribution on our equity investment in SpendMend LLC, resulting in a realized gain of approximately \$6.1 million.

On March 2, 2022, we invested \$14.4 million in subordinated debt, preferred equity and common equity of CIH Intermediate, LLC, a technology-based risk management firm that provides education and customized price risk management services to businesses affected by volatility in the agriculture markets.

First Quarter 2022 Base Dividend of \$0.36 and Supplemental Dividend of \$0.17 Per Share Declared

On February 15, 2022, our board of directors declared a base dividend of \$0.36 per share and a supplemental dividend of \$0.17 per share for the fourth quarter. The dividends will be payable on March 25, 2022, to stockholders of record as of March 11, 2022

When declaring dividends, our board of directors reviews estimates of taxable income available for distribution, which differs from consolidated income under GAAP due to (i) changes in unrealized appreciation and depreciation, (ii) temporary and permanent differences in income and expense recognition, and (iii) the amount of undistributed taxable income carried over from a given year for distribution in the following year. The final determination of 2021 taxable income, as well as the tax attributes for 2021 dividends, will be made after the close of the 2021 tax year. The final tax attributes for 2021 dividends will generally include ordinary taxable income but may also include capital gains, qualified dividends and return of capital.

Fidus has adopted a dividend reinvestment plan ("DRIP") that provides for reinvestment of dividends on behalf of its stockholders, unless a stockholder elects to receive cash. As a result, when we declare a cash dividend, stockholders who have not "opted out" of the DRIP at least two days prior to the dividend payment date will have their cash dividends automatically reinvested in additional shares of our common stock. Those stockholders whose shares are held by a broker or other financial intermediary may receive dividends in cash by notifying their broker or other financial intermediary of their election.

Fourth Quarter 2021 Financial Results Conference Call

Management will host a conference call to discuss the operating and financial results at 9:00am ET on Friday, March 4, 2022. To participate in the conference call, please dial (877) 810-3368 approximately 10 minutes prior to the call. International callers should dial (914) 495-8561. Please reference conference ID # 5252355.

A live webcast of the conference call will be available at <http://investor.fidus.com/events-presentations>. Please access the website 15 minutes prior to the start of the call to download and install any necessary audio software.

A telephone replay of the conference call will be available from 12:00pm ET on March 4, 2022, until 11:59pm ET on March 11, 2022, and may be accessed by calling (855) 859-2056 (domestic dial-in) or (404) 537-3406 (international dial-in) and reference conference ID # 5252355. An archived replay of the conference call will also be available in the investor relations section of the Company's website.

## **ABOUT FIDUS INVESTMENT CORPORATION**

Fidus Investment Corporation provides customized debt and equity financing solutions to lower middle-market companies, which management generally defines as U.S. based companies with revenues between \$10 million and \$150 million. The Company's investment objective is to provide attractive risk-adjusted returns by generating both current income from debt investments and capital appreciation from equity related investments. Fidus seeks to partner with business owners, management teams and financial sponsors by providing customized financing for change of ownership transactions, recapitalizations, strategic acquisitions, business expansion and other growth initiatives.

Fidus is an externally managed, closed-end, non-diversified management investment company that has elected to be treated as a business development company under the Investment Company Act of 1940, as amended. In addition, for tax purposes, Fidus has elected to be treated as a regulated investment company under Subchapter M of the Internal Revenue Code of 1986, as amended. Fidus was formed in February 2011 to continue and expand the business of Fidus Mezzanine Capital, L.P., which commenced operations in May 2007 and is licensed by the U.S. Small Business Administration as a Small Business Investment Company (SBIC).

## **FORWARD-LOOKING STATEMENTS**

This press release may contain certain forward-looking statements which are based upon current expectations and are inherently uncertain, including, but not limited to, statements about the future performance and financial condition of the Company, the prospects of our existing and prospective portfolio companies and the financial condition and ability of our existing and prospective portfolio companies to achieve their objectives. 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 that the Company may or may not have considered, such as changes in the financial and lending markets and the impact of interest rate volatility, including the decommissioning of LIBOR; accordingly, such statements cannot be guaranteed or assurances of any aspect of future performance. Actual developments and results are highly likely to vary materially from these estimates and projections of the future as a result of a number of factors related to changes in the markets in which the Company invests, changes in the financial, capital, and lending markets, and other factors described from time to time in the Company's filings with the Securities and Exchange Commission. Such statements speak only as of the time when made, and are based on information available to the Company as of the date hereof and are qualified in their entirety by this cautionary statement. The Company undertakes no obligation to update any such statement now or in the future, except as required by applicable law.

|   | <u>December 31,</u><br><u>2021</u> | <u>December 31,</u><br><u>2020</u> |
|---|------------------------------------|------------------------------------|
| <b>ASSETS</b>   |                                    |                                    |
| Investments, at fair value:   |                                    |                                    |
| Control investments (cost: \$6,833 and \$32,969, respectively)  | \$ 2,151                           | \$ 28,253                          |
| Affiliate investments (cost: \$55,519 and \$31,836, respectively)   | 137,284                            | 81,394                             |
| Non-control/non-affiliate investments (cost: \$559,434 and \$622,222, respectively)   | <u>579,689</u>                     | <u>633,222</u>                     |
| Total investments, at fair value (cost: \$621,786 and \$687,027, respectively)  | 719,124                            | 742,869                            |
| Cash and cash equivalents   | 169,417                            | 124,308                            |
| Interest receivable   | 8,231                              | 7,548                              |
| Prepaid expenses and other assets   | <u>413</u>                         | <u>1,015</u>                       |
| <b>Total assets</b>   | <u>\$ 897,185</u>                  | <u>\$ 875,740</u>                  |
| <b>LIABILITIES</b>  |                                    |                                    |
| SBA debentures, net of deferred financing costs   | \$ 103,978                         | \$ 144,004                         |
| Notes, net of deferred financing costs  | 245,016                            | 300,294                            |
| Borrowings under Credit Facility, net of deferred financing costs   | (595)                              | (1,048)                            |
| Secured Borrowings  | 17,637                             | -                                  |
| Accrued interest and fees payable   | 4,668                              | 3,500                              |
| Base management fee payable, net of base management fee waiver – due to affiliate   | 3,135                              | 3,244                              |
| Income incentive fee payable – due to affiliate   | 2,622                              | 2,610                              |
| Capital gains incentive fee payable – due to affiliate  | 29,227                             | 11,031                             |
| Administration fee payable and other, net – due to affiliate  | 668                                | 576                                |
| Taxes payable   | 2,410                              | 275                                |
| Accounts payable and other liabilities  | <u>655</u>                         | <u>494</u>                         |
| <b>Total liabilities</b>  | <u>\$ 409,421</u>                  | <u>\$ 464,980</u>                  |
| Commitments and contingencies   |                                    |                                    |
| <b>NET ASSETS</b>   |                                    |                                    |
| Common stock, \$0.001 par value (100,000,000 shares authorized, 24,437,400 and 24,437,400 shares issued and outstanding at December 31, 2021 and December 31, 2020, respectively) | \$ 24                              | \$ 24                              |
| Additional paid-in capital  | 361,807                            | 363,982                            |
| Total distributable earnings  | <u>125,933</u>                     | <u>46,754</u>                      |
| <b>Total net assets</b>   | <u>487,764</u>                     | <u>410,760</u>                     |
| <b>Total liabilities and net assets</b>   | <u>\$ 897,185</u>                  | <u>\$ 875,740</u>                  |
| <b>Net asset value per common share</b>   | \$ 19.96                           | \$ 16.81                           |

**FIDUS INVESTMENT CORPORATION**  
**Consolidated Statements of Operations (unaudited)**  
(in thousands, except shares and per share data)

|                                       | <u>Three Months Ended</u><br><u>December 31,</u> |               | <u>Years Ended</u><br><u>December 31,</u> |               |
|---------------------------------------|--|---------------|---|---------------|
|                                       | <u>2021</u>                                      | <u>2020</u>   | <u>2021</u>                               | <u>2020</u>   |
| <b>Investment Income:</b>             |  |               |   |               |
| Interest income                       |  |               |   |               |
| Control investments                   | \$ 1,240   | \$ 541        | \$ 3,735                                  | \$ 1,889      |
| Affiliate investments                 | 599  | 848           | 2,695                                     | 3,511         |
| Non-control/non-affiliate investments | <u>16,451</u>                                    | <u>17,035</u> | <u>66,648</u>                             | <u>68,095</u> |
| Total interest income                 | 18,290   | 18,424        | 73,078                                    | 73,495        |
| Payment-in-kind interest income       |  |               |   |               |
| Control investments                   | 456  | 425           | 2,117                                     | 1,748         |
| Affiliate investments                 | 87   | 112           | 368                                       | 287           |
| Non-control/non-affiliate investments | <u>419</u>                                       | <u>612</u>    | <u>1,809</u>                              | <u>2,625</u>  |
| Total payment-in-kind interest income | 962  | 1,149         | 4,294                                     | 4,660         |
| Dividend income                       |  |               |   |               |
| Control investments                   | —  | —             | 568                                       | —             |
| Affiliate investments                 | 1,062  | 372           | 1,172                                     | 837           |
| Non-control/non-affiliate investments | <u>196</u>                                       | <u>1,470</u>  | <u>895</u>                                | <u>1,630</u>  |
| Total dividend income                 | 1,258  | 1,842         | 2,635                                     | 2,467         |
| Fee income                            |  |               |   |               |
| Control investments                   | 1,472  | —             | 1,872                                     | —             |
| Affiliate investments                 | 15   | 32            | 385                                       | 120           |
| Non-control/non-affiliate investments | <u>2,103</u>                                     | <u>2,183</u>  | <u>8,174</u>                              | <u>4,372</u>  |
| Total fee income                      | 3,590  | 2,215         | 10,431                                    | 4,492         |
| Interest on idle funds                | <u>1</u>   | <u>-</u>      | <u>8</u>                                  | <u>9</u>      |
| <b>Total investment income</b>        | <u>24,101</u>                                    | <u>23,630</u> | <u>90,446</u>                             | <u>85,123</u> |

| <b>Expenses:</b>   |                  |                  |                   |                  |
|--|------------------|------------------|-------------------|------------------|
| Interest and financing expenses  | 4,746            | 4,977            | 19,164            | 19,678           |
| Base management fee  | 3,213            | 3,244            | 12,874            | 12,932           |
| Incentive fee - income   | 2,622            | 2,610            | 10,266            | 8,952            |
| Incentive fee (reversal) - capital gains   | 9,558            | 4,696            | 18,196            | (1,684)          |
| Administrative service expenses  | 438              | 478              | 1,719             | 1,720            |
| Professional fees  | 345              | 582              | 1,327             | 2,090            |
| Other general and administrative expenses  | 332              | 289              | 1,447             | 1,348            |
| Total expenses before base management and income incentive fee waivers             | <u>21,254</u>    | <u>16,876</u>    | <u>64,993</u>     | <u>45,036</u>    |
| Base management and income incentive fee waivers                                   | (78)             | —                | (176)             | (423)            |
| Total expenses, net of base management and incentive fee waivers                   | <u>21,176</u>    | <u>16,876</u>    | <u>64,817</u>     | <u>44,613</u>    |
| Net investment income before income taxes  | 2,925            | 6,754            | 25,629            | 40,510           |
| Income tax provision (benefit)   | 477              | 716              | 509               | 862              |
| <b>Net investment income</b>   | <u>2,448</u>     | <u>6,038</u>     | <u>25,120</u>     | <u>39,648</u>    |
| <b>Net realized and unrealized gains (losses) on investments:</b>                  |                  |                  |                   |                  |
| Net realized gains (losses):   |                  |                  |                   |                  |
| Control investments  | 20,554           | —                | 20,521            | —                |
| Affiliate investments  | 94               | 301              | 124               | 24,655           |
| Non-control/non-affiliate investments  | 21,488           | (34,166)         | 35,163            | (25,623)         |
| Total net realized gain (loss) on investments                                      | <u>42,136</u>    | <u>(33,865)</u>  | <u>55,808</u>     | <u>(968)</u>     |
| Income tax (provision) benefit from realized gains on investments                  | (2,200)          | 488              | (2,057)           | (577)            |
| Net change in unrealized appreciation (depreciation):                              |                  |                  |                   |                  |
| Control investments  | 4,923            | 2,339            | 34                | 1,182            |
| Affiliate investments  | 7,733            | 12,626           | 32,207            | (15,669)         |
| Non-control/non-affiliate investments  | (3,179)          | 41,891           | 9,255             | 7,909            |
| Total net change in unrealized appreciation (depreciation) on investments          | <u>9,477</u>     | <u>56,856</u>    | <u>41,496</u>     | <u>(6,578)</u>   |
| <b>Net gain (loss) on investments</b>  | <u>49,413</u>    | <u>23,479</u>    | <u>95,247</u>     | <u>(8,123)</u>   |
| <b>Realized losses on extinguishment of debt</b>                                   | <u>(1,623)</u>   | <u>—</u>         | <u>(4,263)</u>    | <u>(299)</u>     |
| <b>Net increase (decrease) in net assets resulting from operations</b>             | <u>\$ 50,238</u> | <u>\$ 29,517</u> | <u>\$ 116,104</u> | <u>\$ 31,226</u> |
| <b>Per common share data:</b>  |                  |                  |                   |                  |
| Net investment income per share-basic and diluted                                  | <u>\$ 0.10</u>   | <u>\$ 0.25</u>   | <u>\$ 1.03</u>    | <u>\$ 1.62</u>   |
| Net increase in net assets resulting from operations per share — basic and diluted | <u>\$ 2.06</u>   | <u>\$ 1.20</u>   | <u>\$ 4.75</u>    | <u>\$ 1.28</u>   |
| Dividends declared per share   | <u>\$ 0.41</u>   | <u>\$ 0.34</u>   | <u>\$ 1.60</u>    | <u>\$ 1.33</u>   |
| Weighted average number of shares outstanding — basic and diluted                  | 24,437,400       | 24,437,400       | 24,437,400        | 24,442,431       |

#### Schedule 1

#### Supplemental Information Regarding Adjusted Net Investment Income

On a supplemental basis, we provide information relating to adjusted net investment income, which is a non-GAAP measure. This measure is provided in addition to, but not as a substitute for, net investment income. Adjusted net investment income represents net investment income excluding any capital gains incentive fee expense or (reversal) attributable to realized and unrealized gains and losses. The management agreement with our advisor provides that a capital gains incentive fee is determined and paid annually with respect to cumulative realized capital gains (but not unrealized capital gains) to the extent such realized capital gains exceed realized and unrealized losses for such year, less the aggregate amount of any capital gains incentive fees paid in all prior years. In addition, we accrue, but do not pay, a capital gains incentive fee in connection with any unrealized capital appreciation, as appropriate. As such, we believe that adjusted net investment income is a useful indicator of operations exclusive of any capital gains incentive fee expense or (reversal) attributable to realized and unrealized gains and losses. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. The following table provides a reconciliation of net investment income to adjusted net investment income for the three and twelve months ended December 31, 2021 and 2020.

|  | (\$ in thousands)           |           | (\$ in thousands)           |           |
|--|-----------------------------|-----------|-----------------------------|-----------|
|  | Three Months Ended          |           | Years Ended                 |           |
|  | December 31,<br>(unaudited) |           | December 31,<br>(unaudited) |           |
|  | 2021                        | 2020      | 2021                        | 2020      |
| Net investment income                          | \$ 2,448                    | \$ 6,038  | \$ 25,120                   | \$ 39,648 |
| Capital gains incentive fee expense (reversal) | 9,558                       | 4,696     | 18,196                      | (1,684)   |
| Adjusted net investment income <sup>(1)</sup>  | \$ 12,006                   | \$ 10,734 | \$ 43,316                   | \$ 37,964 |

|  | (Per share)                 |         | (Per share)                 |         |
|--|-----------------------------|---------|-----------------------------|---------|
|  | Three Months Ended          |         | Years Ended                 |         |
|  | December 31,<br>(unaudited) |         | December 31,<br>(unaudited) |         |
|  | 2021                        | 2020    | 2021                        | 2020    |
| Net investment income                          | \$ 0.10                     | \$ 0.25 | \$ 1.03                     | \$ 1.62 |
| Capital gains incentive fee expense (reversal) | 0.39                        | 0.19    | 0.74                        | (0.07)  |

Adjusted net investment income <sup>(1)</sup> \$ 0.49 \$ 0.44 \$ 1.77 \$ 1.55

(1) Adjusted net investment income per share amounts are calculated as adjusted net investment income dividend by weighted average shares outstanding for the period. Due to rounding, the sum of net investment income per share and capital gains incentive fee expense (reversal) amounts may not equal the adjusted net investment income per share amount presented here.

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Source: Fidus Investment Corporation