

June 1, 2026



Barings BDC, Inc. Announces Early Termination of Sierra Credit Support Agreement and \$67.0 Million Payment From Barings LLC

CHARLOTTE, N.C.--(BUSINESS WIRE)-- Barings BDC, Inc. (NYSE: BBDC) ("Barings BDC" or the "Company") today announced the early termination of its existing credit support agreement ("original CSA") associated with the Company's acquisition of Sierra Income Corporation ("Sierra"), and the implementation of a new credit support agreement covering the remaining investments in two Sierra legacy portfolio companies.

The original CSA, entered into on February 25, 2022 in connection with the Sierra merger, provided up to \$100 million of credit protection to Barings BDC shareholders against losses on the investments acquired by Barings BDC in the Sierra merger. Under the terms of the termination and cancellation agreement executed May 29, 2026, Barings LLC ("Barings"), the Company's investment advisor, will make a cash payment of \$67.0 million to Barings BDC with respect to investments covered by the CSA that (i) have been realized, (ii) have a fair value of \$500,000 or less (treating them as if they have a fair value of zero), or (iii) are in an unrealized loss position (with the cash payment equaling the aggregate unrealized losses recorded), in each case, as of the execution date. All unrealized investments covered by the CSA are currently in an unrealized loss position. The cash payment will be made on or before June 30, 2026. This cash payment fully satisfies the credit support obligation for those investments (or, in the case of investments in an unrealized loss position, the unrealized loss portions thereof) and results in the termination and extinguishment of the original CSA.

Concurrently, Barings BDC and Barings entered into a new, more targeted credit support agreement, which provides continued downside protection for the remaining investments in two Sierra legacy portfolio companies that have not yet been realized in an amount equal to the fair value of such investments as of the execution date (i.e., given that the cash payment covered all unrealized losses on such investments as of such date).

"This transaction represents a meaningful milestone in the successful resolution of the Sierra portfolio and further simplifies our capital structure," said Tom McDonnell, Chief Executive Officer of Barings BDC. "Importantly, the receipt of approximately \$67.0 million of proceeds provides us with incremental capital that we can redeploy into income producing investments consistent with our strategy now, rather than waiting until after the original CSA's settlement date in 2032. We believe this reinvestment opportunity will enhance our earnings power and support improved return on equity for our shareholders, while maintaining targeted downside protection on the remaining Sierra assets."

Forward-Looking Statements

Statements included herein may constitute “forward-looking statements,” which relate to future events or Barings BDC’s future performance or financial condition. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made, which reflect management’s current estimates, projections, expectations or beliefs, and which are subject to risks and uncertainties that may cause actual results to differ materially. Forward-looking statements include, but are not limited to, the Company’s ability to efficiently and prudently redeploy the cash payment from Barings into income producing investments to enhance the Company’s earnings power and support improved return on equity for its shareholders. More information on the risks and other potential factors that could affect Barings BDC’s financial results and future events, including important factors that could cause actual results or events to differ materially from plans, estimates or expectations included herein is included in Barings BDC’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 Barings BDC’s most recently filed annual report on Form 10-K, as well as in subsequent filings, including Barings BDC’s quarterly reports on Form 10-Q.

About Barings BDC

Barings BDC, Inc. (NYSE: BBDC) is a publicly traded, externally managed investment company that has elected to be treated as a business development company under the Investment Company Act of 1940. Barings BDC seeks to invest primarily in senior secured loans in middle-market companies that operate across a wide range of industries. Barings BDC’s investment activities are managed by its investment adviser, Barings, a leading global alternative asset manager based in Charlotte, NC with \$481 billion* of AUM firmwide. For more information, visit www.baringsbdc.com.

About Barings

Barings is a \$481 billion* global alternative asset manager that partners with institutional, insurance, and wealth clients, and supports leading businesses with flexible financing solutions. The firm, which is owned by insurance companies MassMutual and MS&AD, seeks to deliver excess returns by leveraging its global scale and capabilities across credit, real assets, capital solutions and emerging markets. Learn more at www.barings.com.

*Assets under management as of March 31, 2026

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