

S i e r r a I n c o m e C o r p o r a t i o n

# S i e r r a I n c o m e C o r p o r a t i o n t A n d C o m b i n e d C o m p a n y t o B

## E n h a n c e s S c a l e , E a r n i n g s P r o f M a r k e t L e a d i n g B D C

C H A R L O T T E , N . C . , & N - E W a Y i o n R g K s , B  
B B D C ) ( " B a r i n g s B D C " ) a n d S i e r r a  
e n t e r e d i n t o a d e f i n i t i v e m e r g e r  
B D C ( t h e " T r a n s a c t i o n " ) . T h e c o m  
L L C , i s e x p e c t e d t o h a v e a p p r o x i  
b o a r d s o f d i r e c t o r s o f b o t h c o m p a  
t h e i n d e p e n d e n t d i r e c t o r s o f S i e r  
a p p r o v e d t h e T r a n s a c t i o n , w h i c h

U n d e r t h e t e r m s o f t h e m e r g e r a g  
i n t h e f o r m o f c a s h a n d s t o c k c o n  
B a r i n g s B D C ' s J u n e 3 0 , 2 0 2 1 n e t  
b o o k v a l u e c o n s i d e r a t i o n o f \$ 6 . 1  
t h e c l o s i n g p r i c e o f B a r i n g s B D C  
t o t a l c o n s i d e r a t i o n f o r S i e r r a s t  
p e r S i e r r a s h a r e , r e p r e s e n t i n g a

S i e r r a ' s s t o c k h o l d e r s w i l l r e c e i v  
S i e r r a c o m m o n s t o c k , r e s u l t i n g i n  
h a v i n g a t o t a l v a l u e o f a p p r o x i m a  
o n B a r i n g s B D C ' s J u n e 3 0 , 2 0 2 1 N  
m i l l i o n i n c a s h , o r a p p r o x i m a t e l y  
F o l l o w i n g t h e T r a n s a c t i o n , B a r i n g  
\$ 1 . 3 b i l l i o n a n d B a r i n g s B D C s t o  
a p p r o x i m a t e l y 5 8 . 7 % a n d 4 1 . 3 % , r

I n a d d i t i o n , B a r i n g s L L C w i l l e n t  
t h e b e n e f i t o f t h e c o m b i n e d c o m p  
l o s s e s o f u p t o \$ 1 0 0 . 0 m i l l i o n o n

A d d i t i o n a l l y , B a r i n g s L L C w i l l a  
t o r a i s e t h e i n c e n t i v e f e e h u r d l e

B a r i n g s B D C w i l l a l s o p r o v i d e u p  
r e p u r c h a s e s o v e r a 1 2 - m o n t h p e r i  
s p e c i f i c l e v e l o f N A V p e r s h a r e f  
t h e c o n s u m m a t i o n o f t h e T r a n s a c t  
1 0 b - 1 8 u n d e r t h e S e c u r i t i e s E x c h

B a r i n g s B D C h a s a g r e e d t h a t , o n  
a n d c a u s e t w o c u r r e n t i n d e p e n d e n  
B a r i n g s B D C t o b e a p p o i n t e d t o t

In connection with the closing of amounts under its existing credit terminated.

Barrings BDC believes that the income strategic and financial benefits capitalize on favorable market conditions anticipated that the combination

- NII and NBAA Vri Agsr BDCone: estimates in the first full quarter post-2021. This would represent a net Barrings BDC further estimates long-term accretion to NAV as a BDC's directly originated investments
- Barrings BDC Srhi ags BDC' is d ip tr yo: f c closing as implied by the public Barrings BDC's current 3-month
- Divers T hie c æ to imobni: ned portfolio with companies representing approximately
- Business Resilience In hce ca on nd b F r i a d n e c: business resilience and financial index-eligible investment grade
- Cost SA y p n p e r o g x y i : m a t e l y \$ 8 . 1 m i l l i o n combination driven by redundant
- Best-in-Class T S h h r æ r u e g h o h d h e i r n A t i g 8 . 0 % to 8 . 2 5 % , a \$ 1 0 0 m i l l i o n r e p u r c h a s e s .

" We are very excited to announce Corporation. This combination will portfolio diversification, and be Barrings BDC Board of Directors a

" We believe the transaction provides and further distinguishes Barrings Sierra Special Committee for their Chief Financial Officer of Barrings

Following a robust strategic alternative unanimously determined that the stockholder value and interests. immediate cash value along with structure as well as the opportunity global investment platform with a Stephen Byers, Independent Chair Special Committee.

Consummation of the Transaction customary regulatory approvals a

Wells Fargo Securities served as counsel to Barings BDC. Broadhaver Worcester LLP served as legal co-

**C o n f e r e n c e C a l l t o D i s c u s s t h e T**

Barings BDC has scheduled a conference call on February 22, 2021, at 9:00 a.m. ET.

To listen to the call, please dial the start of the call. A taped recap and conclusion of the call will be available by dialing 877-660-6853 or 201-612-7411.

This conference call will also be available on Barings BDC's website at <https://www.baringsbdc.com> at the start of the call to download a replay will be available on Barings BDC's website.

A copy of the presentation that will be presented to the relations section of Barings BDC will be available on the website.

**F o r w a r d - L o o k i n g S t a t e m e n t s**

This press release contains, and "forward-looking statements," which guarantees of future performance of the combined company, and involve regarding the completion of the project statements preceded by, followed "intend," "should," "could," "can," "predict," "potential," "plan" or "may" in the forward-looking statements as of time to time in filings made by BDC Commission ("SEC"), including those such documents become available. materially from those projected, likelihood of the Transaction closing. Transaction, (iii) the expected percentage of Sierra's stock held by the combined company's net investment offers or acquisition proposals for various conditions to the consummation of the Transaction, (iv) the risks related to diverting the attention of the combined company from its ongoing business operations, (v) the Transaction may result in significant changes to the combined company or Barings BDC, (vi) regulatory approvals and economic conditions, including but not limited to the impact on the industries in which the combined company operates, and (vii) amounts of Sierra's tax obligations.

stock, (xv) the Transaction's eff  
respective investors, portfolio c  
Transaction is completed, (xvi) t  
stockholders' percentage ownersh  
challenges and costs presented b  
of third-party approvals, (xix) t  
BDC's and Sierra's conduct of bu  
changes in the conditions of the  
enumerated in Barings BDC's and  
on such forward-looking statemen  
and Sierra management's respecti  
operating performance, and speak  
BDC nor Sierra undertakes any du  
forward-looking statements speak

### Additional Information and Where

This communication relates to a p  
along with related proposals for  
"Proposals"). In connection with  
the SEC and mail to their respect  
"Proxy Statement"), and Barings  
N-14 (the "Registration Statement  
Barings BDC. The Proxy Statement  
information about Barings BDC, S  
STOCKHOLDERS OF EACH OF BARI  
CAREFULLY AND IN THEIR ENTIRE  
SEC, INCLUDING THE PROXY STAT  
WHEN THEY BECOME AVAILABLE, A  
SUPPLEMENTS THERETO, BECAUSE  
INFORMATION ABOUT BARINGS BDC  
PROPOSALS Investors and security hold  
SEC free of charge at the SEC's v  
BDC, from the Barings BDC websit  
Sierra, from the Sierra website a

### Participants in the Solicitation

Barings BDC and Sierra and their  
of management and employees of B  
may be deemed to be participants  
BDC and Sierra in connection wit  
officers of Barings BDC is set fo  
stockholders, which was filed wit  
executive officers of Sierra is s  
stockholders, which was filed wit  
who may, under the rules of the S  
and Sierra's stockholders in conn  
and other relevant materials to b  
Investors should read the Proxy S  
when they become available befor

may be obtained free of charge for

**No Offer or Solicitation**

This press release is not, and unadvertisements and the communication to be construed as, an offer to sell by BDC, Sierra or in any fund or other means of a prospectus meeting

**About Barings BDC**

Barings BDC, Inc. (NYSE: BBDC) that has elected to be treated as Act of 1940. Barings BDC seeks to companies that operate across a managed by its investment advise NC with \$382+ billion\* of AUM fi

**About Sierra Income Corporation**

Sierra is a non-traded business d secured debt, second lien secured companies in a broad range of inc Sierra's investment objective is appreciation. Sierra is externall registered under the Investment A please visit Sierra Income Corpor

**About Barings LLC**

Barings is a \$382+ billion\* global building long-term portfolios across equity markets. With investment firm, a subsidiary of Mass Mutual committed to sustainable practice

\* As of June 30, 2021

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<https://www.sierraincomecorp.com>  
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