

BARINGS



**Barings BDC, Inc.
Second Quarter 2020
Earnings Presentation**

August 5, 2020

Disclaimers and Cautionary Notes Regarding Forward-Looking Statements

Cautionary Notice: Certain statements contained in this presentation are "forward-looking" statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date on which they are made and 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 ability of Barings LLC to manage Barings BDC, Inc. ("Barings BDC") and identify investment opportunities, and some of these factors are enumerated in the filings Barings BDC makes with the Securities and Exchange Commission (the "SEC"). These statements are subject to change at any time based upon economic, market or other conditions, including with respect to the impact of the COVID-19 pandemic and its effects on Barings BDC's and its portfolio companies' results of operations and financial condition, and may not be relied upon as investment advice or an indication of Barings BDC's investment intent. Important factors that could cause actual results to differ materially from plans, estimates or expectations included in this presentation include, among others, those risk factors detailed in Barings BDC's annual report on Form 10-K for the fiscal year ended December 31, 2019, filed with the SEC on February 27, 2020, in Barings BDC's subsequently filed quarterly reports on Form 10-Q, and as may be included from time to time in Barings BDC's other filings with the SEC, including current reports on Form 8-K and other documents filed with the SEC. In addition, there is no assurance that Barings BDC or any of its affiliates will purchase additional shares of Barings BDC at any specific discount levels or in any specific amounts. There is no assurance that the market price of Barings BDC's shares, either absolutely or relative to net asset value, will increase as a result of any share repurchases, or that any repurchase plan will enhance stockholder value over the long term. The Company undertakes no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise.

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Any forecasts in this document are based upon Barings' opinion of the market at the date of preparation and are subject to change without notice, dependent upon many factors. Any prediction, projection or forecast is not necessarily indicative of the future or likely performance. Investment involves risk. The value of any investments and any income generated may go down as well as up and is not guaranteed. Past performance is no indication of current or future performance. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. Any investment results, portfolio compositions and/or examples set forth in this document are provided for illustrative purposes only and are not indicative of any future investment results, future portfolio composition or investments. The composition, size of, and risks associated with an investment may differ substantially from any examples set forth in this document. No representation is made that an investment will be profitable or will not incur losses. Where appropriate, changes in the currency exchange rates may affect the value of investments. Prospective investors should read the relevant offering documents for the details and specific risk factors of any investment vehicle discussed in this document.

ERIC LLOYD

*Chief Executive Officer
Barings BDC, Inc.*

IAN FOWLER

*President
Barings BDC, Inc.*

JONATHAN BOCK

*Chief Financial Officer
Barings BDC, Inc.*

2Q 2020 HIGHLIGHTS (Lloyd)

What were the summary points of the quarter?

BBDC INVESTMENT PORTFOLIO (Fowler)

Update on the portfolio ramp and performance.

THE MIDDLE-MARKET LANDSCAPE (Fowler)

What are the current conditions in the middle market?

BBDC FINANCIALS (Bock)

A walk through the balance sheet, income statement, NAV bridge and liquidity.

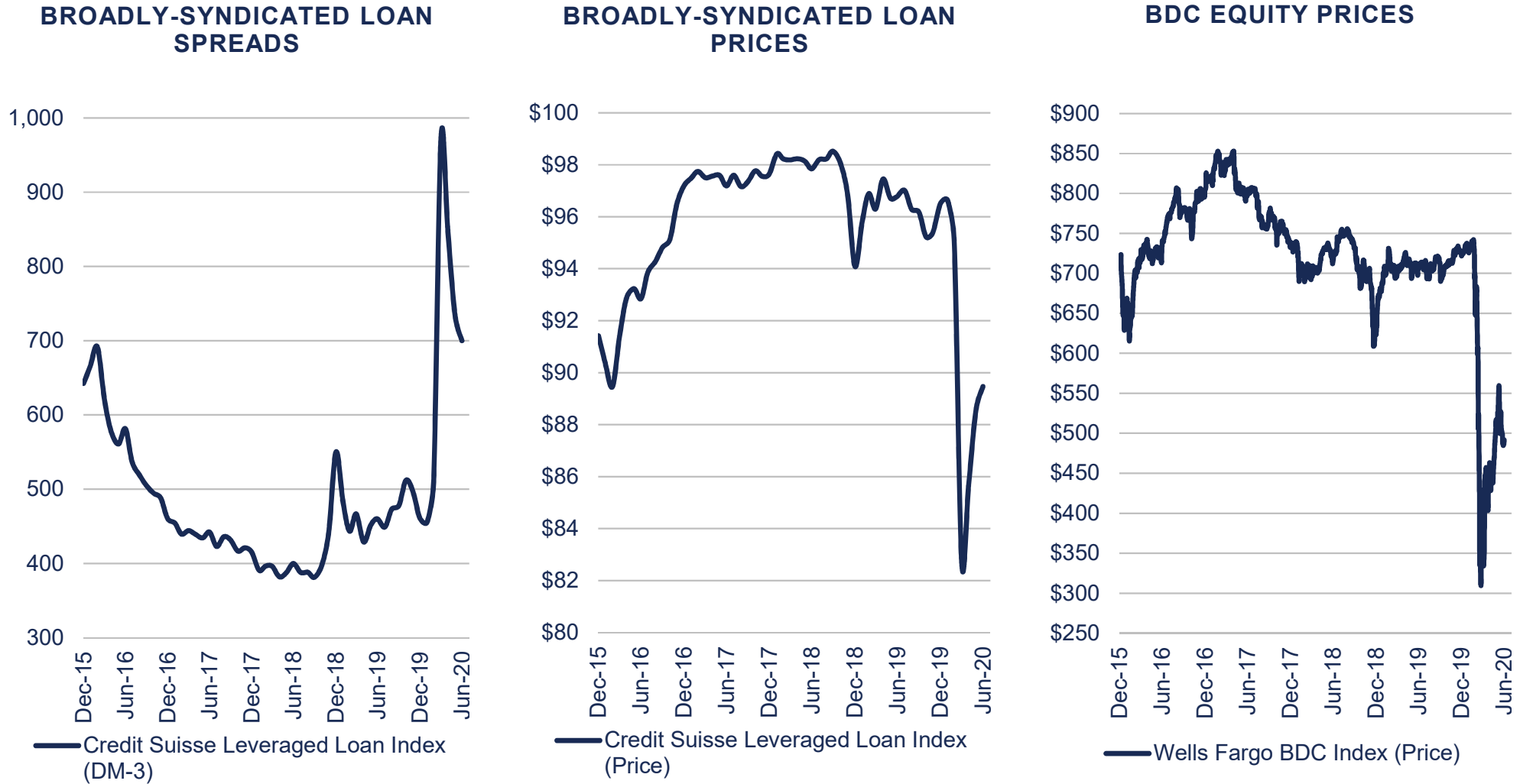
3Q 2020 ORIGINATION PIPELINE (Bock)

What is the level of investment activity post-quarter end?

2Q 2020 Highlights

Credit Spreads and BDC Equity Prices

The rebound in BDC equity prices mirrored that of BSL prices following the unprecedented volatility in March caused by the COVID-19 pandemic



AS CREDIT SPREADS TIGHTENED AND LOAN PRICES INCREASED IN Q2, **BDC EQUITY PRICES REFLECTED THIS IMPROVEMENT**

Second Quarter 2020 Highlights

NET ASSET VALUE

Net asset value (NAV) as of June 30, 2020 was \$10.23 per share as compared to \$9.23 as of March 31, 2020

ORIGINATIONS

Total middle-market originations during the quarter were \$23 million (including \$6 million of add-ons and \$5 million JV investment), while middle-market sales and repayments totaled \$2 million

NET INVESTMENT INCOME

Net investment income for the quarter ended June 30, 2020 was \$0.14 per share

PORTFOLIO YIELD

The weighted-average portfolio yield¹ as of June 30, 2020 was 4.5% for broadly-syndicated loans (BSL), 6.2% for middle-market loans (MML) and 7.4% for structured product investments²

DIVIDEND

The Company announced a second quarter dividend of \$0.16 per share, paid on June 17, 2020 to shareholders of record as of June 10, 2020

CREDIT PERFORMANCE

As of quarter end there was one BSL investment with a cost of \$10 million on non-accrual status; 5% of MML were priced below 90% of cost, and 8% of BSL were priced below 80% of cost

Data as of June 30, 2020. Refer to slide 20 for fully-reconciled income statement including number of shares used to calculate per-share data.

1. Yield is calculated as the weighted average of current coupon rates (USD-equivalent).

2. Excludes short-term and non-accrual investments.

Selected Financial Highlights

| Balance Sheet Highlights | 2Q 2020 | 1Q 2020 | 4Q 2019 | 3Q 2019 | 2Q 2019 |
|--|-----------|-----------|-----------|-----------|-----------|
| Investment Portfolio, at Fair Value | \$1,034.0 | \$1,071.8 | \$1,173.6 | \$1,158.2 | \$1,200.6 |
| Total Debt Outstanding (Principal) | \$569.3 | \$631.1 | \$670.7 | \$632.5 | \$633.8 |
| Total Net Assets (Equity) | \$490.5 | \$445.7 | \$570.9 | \$572.4 | \$583.1 |
| Debt-to-Equity Ratio | 1.16x | 1.42x | 1.17x | 1.10x | 1.09x |
| Net Debt-to-Equity Ratio ¹ | 1.00x | 1.20x | 0.90x | 0.94x | 1.01x |
| Income Statement Highlights | | | | | |
| Total Investment Income | \$16.1 | \$18.7 | \$18.4 | \$19.3 | \$19.6 |
| Net Investment Income | \$6.5 | \$7.3 | \$7.2 | \$8.0 | \$7.4 |
| Net Unrealized Appreciation / (Depreciation) | \$65.0 | (\$119.4) | \$6.6 | (\$1.8) | \$1.9 |
| Net Income / (Loss) | \$54.7 | (\$112.5) | \$10.6 | \$5.2 | \$9.2 |
| Per-Share Data | | | | | |
| Net Asset Value per Share | \$10.23 | \$9.23 | \$11.66 | \$11.58 | \$11.59 |
| Net Investment Income per Share (Basic and Diluted) ² | \$0.14 | \$0.15 | \$0.15 | \$0.16 | \$0.15 |
| Net Income / (Loss) per Share (Basic and Diluted) ² | \$1.14 | (\$2.30) | \$0.22 | \$0.10 | \$0.18 |
| Dividend per share | \$0.16 | \$0.16 | \$0.15 | \$0.14 | \$0.13 |

Amounts in millions, except per-share data and ratios.

1. Net of cash and short-term investments and adjusted for unsettled transactions. Refer to slide 28 for reconciliation of Debt-to-Equity Ratio to Net Debt-to-Equity Ratio.

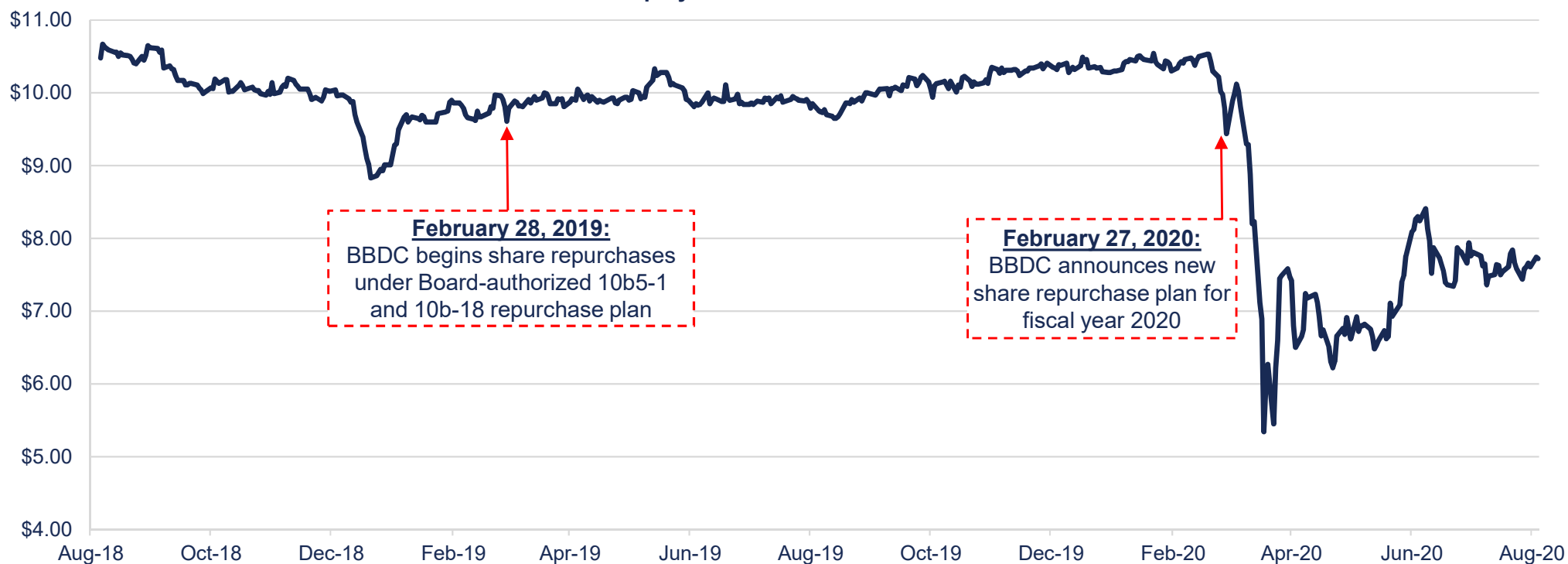
2. Refer to slide 20 for weighted-average shares outstanding for each period.

BBDC Repurchase Program Update

In 1Q20, BBDC began executing on its 2020 share repurchase program, as we believe share repurchases remain an important part of any long-term capital allocation philosophy

- Under the 2020 repurchase program, BBDC aims to repurchase up to a maximum of 5.0% of the amount of shares outstanding as of February 27, 2020 if shares trade below NAV per share, subject to liquidity and regulatory constraints
 - In 2Q20, BBDC repurchased a total of 327,069 shares at an average price of \$7.17/share compared to a 2Q20 NAV per share of \$10.23
 - Year-do-date, BBDC has repurchased 989,050 shares at an average price of \$7.21/share, or 2.0% of total shares outstanding as of February 27, 2020
- As of August 5, 2020, Barings LLC owns 13,639,681 shares, or 28.4% of shares outstanding

BBDC Equity Price since Externalization



BBDC Investment Portfolio

Investment Activity

Summary of investment activity during the quarter ended June 30, 2020

• Middle-Market Loans:

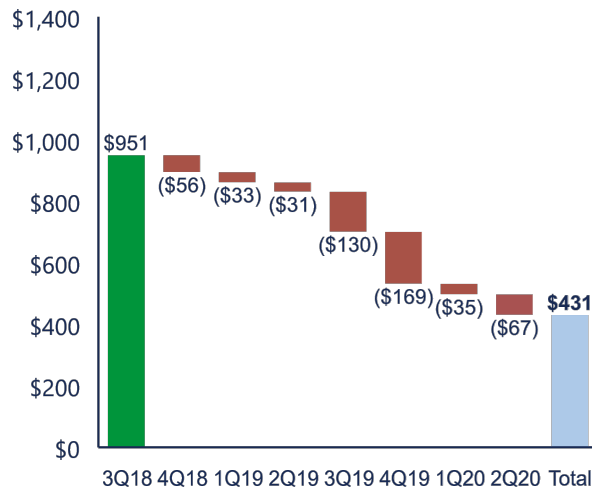
- Net increase in investments of \$20.9 million
 - Total MML fundings were \$22.5 million
 - Includes \$11.9 million in two new portfolio companies
 - Includes \$5.0 million additional investment in Jocassee Partners LLC
 - Includes \$5.6 million in eight existing portfolio companies, including previously-committed Delayed-Draw Term Loans (DDTLs)
 - Sales and repayments totaled \$1.6 million

• Broadly-Syndicated Loans and Structured Products:

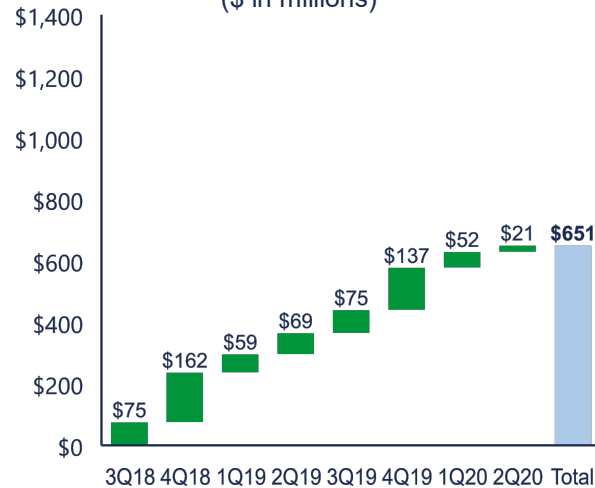
- Net decrease in investments of \$66.7 million
 - BSL purchases totaled \$10.5 million; sales and repayments totaled \$78.7 million
 - Net realized loss on sales of \$16.6 million
 - Structure product investments totaled \$1.5 million via Thompson Rivers LLC

Net BBDC Funding¹

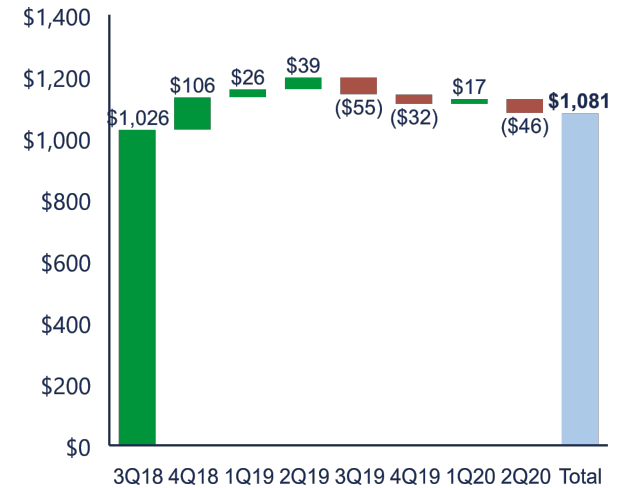
(\$ in millions)



Broadly-Syndicated Loans



Middle-Market Loans



Total Fundings

All amounts in millions. 3Q18 amounts are for post-externalization period from August 3, 2018 to September 30, 2018. Excludes short-term investments.

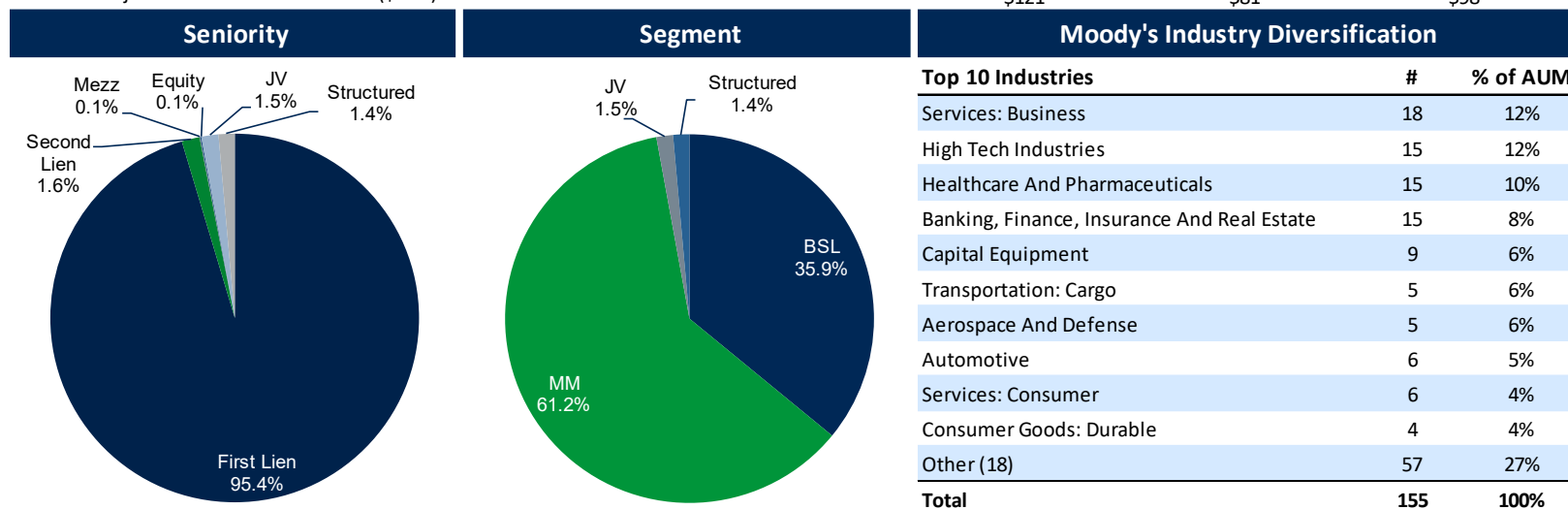
1. Broadly-Syndicated Loans includes Structured Products and Thompson Rivers LLC; Middle-Market Loans includes Jocassee Partners LLC.

A diverse portfolio of 95% senior secured first lien assets, with Middle Market now 61% of portfolio

| Aggregate Portfolio Characteristics (as of June 30, 2020) | | | |
|---|---------|---------------|--------------------|
| Investment Portfolio | BSL | Middle Market | Total ¹ |
| Total Investments and Commitments (\$mm) | \$351 | \$668 | \$1,091 |
| Unfunded Commitments (\$mm) | \$0 | \$71 | \$115 |
| Total Investments at Fair Value (\$mm) | \$351 | \$597 | \$976 |
| Assets on Non-Accrual | \$2 | \$0 | \$2 |
| Assets Valued Below 90% of Cost | 28.8% | 5.1% | 13.5% |
| Average Spread over LIBOR | 372 bps | 519 bps | 467 bps |
| Yield at Fair Value of Investments (%) ² | 5.1% | 6.4% | 5.9% |

Portfolio Statistics

| | | | |
|---|-------|------|-------|
| Number of Portfolio Companies | 81 | 64 | 155 |
| Weighted-Average Senior Leverage (Adjusted Debt/EBITDA) | 5.6x | 4.9x | 5.2x |
| Weighted-Average Total Leverage (Adjusted Debt/EBITDA) | 6.8x | 5.4x | 5.9x |
| Weighted-Average Interest Coverage | 2.7x | 3.1x | 3.0x |
| Median Adjusted EBITDA - First Lien (\$mm) | \$309 | \$27 | \$124 |
| Median Adjusted EBITDA - Second Lien (\$mm) | \$121 | \$81 | \$98 |



Data as of June 30, 2020. Excludes short-term investments.

1. Total Investments and Number of Portfolio Companies include Structured Products (8) and Joint Ventures (2).

2. Yield at Fair Value is calculated as current coupon (USD-equivalent) divided by current price.

Top 10 Investments

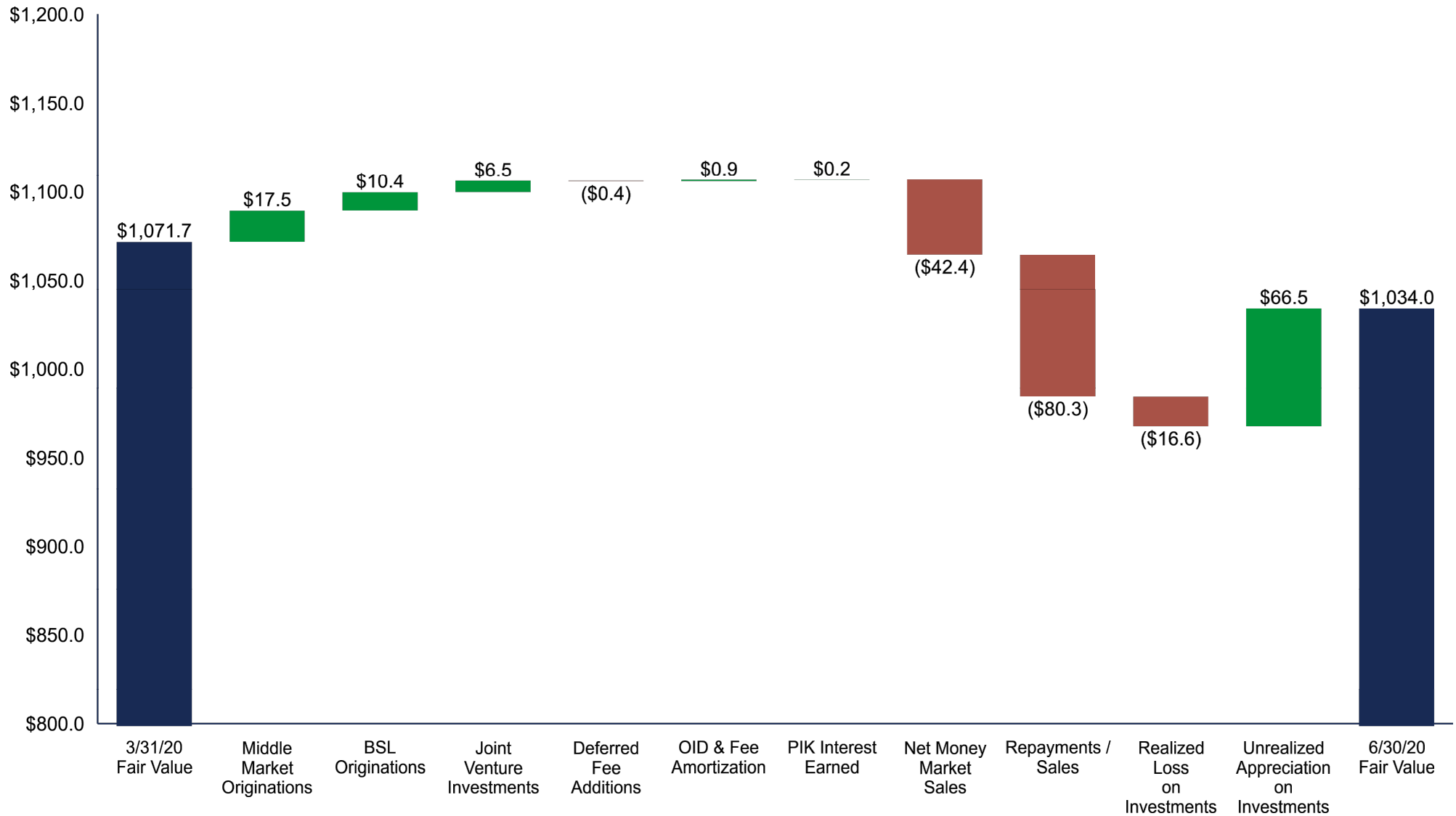
Top 10 Holdings (as of June 30, 2020)

| Issuer | Moody's Industry | Segment | Principal Amount | Cost | Fair Value | % of Portfolio |
|--|-----------------------------------|---------|------------------------|------------------------|----------------------|----------------|
| Transportation Insight, LLC | Transportation: Cargo | MM | \$24,638,036 | \$24,458,135 | \$23,854,549 | 2.4% |
| BDP International, Inc. | Transportation: Cargo | MM | 24,625,000 | 24,239,939 | 23,504,409 | 2.4% |
| Professional Datasolutions, Inc. (PDI) | High Tech Industries | MM | 23,041,343 | 23,011,789 | 22,489,313 | 2.3% |
| 1WorldSync, Inc. | High Tech Industries | MM | 22,331,250 | 21,943,156 | 21,232,269 | 2.2% |
| Accurus Aerospace Corporation | Aerospace and Defense | MM | 24,625,000 | 24,346,233 | 21,198,156 | 2.2% |
| Holley Performance Products (Holley Purchaser, Inc.) | Automotive | MM | 22,196,975 | 21,930,245 | 20,383,316 | 2.1% |
| CM Acquisitions Holdings Inc. | Media: Diversified and Production | MM | 20,434,481 | 20,115,062 | 19,398,331 | 2.0% |
| Truck-Lite Co., LLC | Automotive | MM | 19,517,308 | 19,097,372 | 18,104,295 | 1.9% |
| Patriot New Midco 1 Limited | Services: Business | MM | 18,470,532 | 17,702,783 | 17,315,319 | 1.8% |
| Trystar LLC | Energy: Electricity | MM | 15,637,813 | 15,812,971 | 15,628,027 | 1.6% |
| Top 10 | | | 215,517,737 | 212,657,685 | 203,107,984 | 20.8% |
| Rest of Portfolio | | | 838,338,099 | 837,047,373 | 772,886,925 | 79.2% |
| Total Portfolio | | | \$1,053,855,836 | \$1,049,705,058 | \$975,994,909 | 100.0% |

Excludes short-term investments. Totals may not foot due to rounding.

Portfolio Bridge – 1Q20 to 2Q20

In the second quarter, we originated \$18mm of middle-market loans, made \$10mm of opportunistic BSL investments, contributed \$5mm to Jocassee Partners, and had a combined \$80mm of sales/paydowns



\$ in millions; total may not foot due to rounding.

2Q and YTD 2020 Unrealized Appreciation (Depreciation)

Total unrealized appreciation in the second quarter of \$65 million helped offset the unrealized depreciation of \$119 million experienced in the first quarter, with improvements across all asset categories. Total net unrealized appreciation of \$32 million was attributable to BBDC's liquid portfolio, while \$3 million was related to improved specific credit or fundamental performance of individual portfolio companies in the middle-market portfolio

| 2020 Net Unrealized Appreciation (Depreciation) | | | | |
|--|---------------|---------------|-----------------|-----------------|
| | 2Q 2020 | | YTD 2020 | |
| | Total Amount | Per Share | Total Amount | Per Share |
| Syndicated senior secured loans and structured products | \$31.6 | \$0.66 | (\$51.0) | (\$1.05) |
| Middle-market loans - broad market impact | 5.1 | 0.11 | (20.4) | (0.42) |
| Middle-market loans - credit or fundamental impact | 2.9 | 0.06 | (5.3) | (0.11) |
| Middle-market loans - foreign currency impact | 1.3 | 0.03 | (0.0) | (0.00) |
| Equity investments and joint venture | 3.0 | 0.06 | (1.0) | (0.02) |
| Reclassification adjustments related to sales and repayments | 22.7 | 0.47 | 23.0 | 0.48 |
| Total net unrealized depreciation on investments | 66.5 | 1.39 | (54.7) | (1.13) |
| Foreign currency transactions | (1.4) | (0.03) | 0.4 | 0.01 |
| Total net unrealized appreciation (depreciation) | \$65.0 | \$1.36 | (\$54.4) | (\$1.12) |

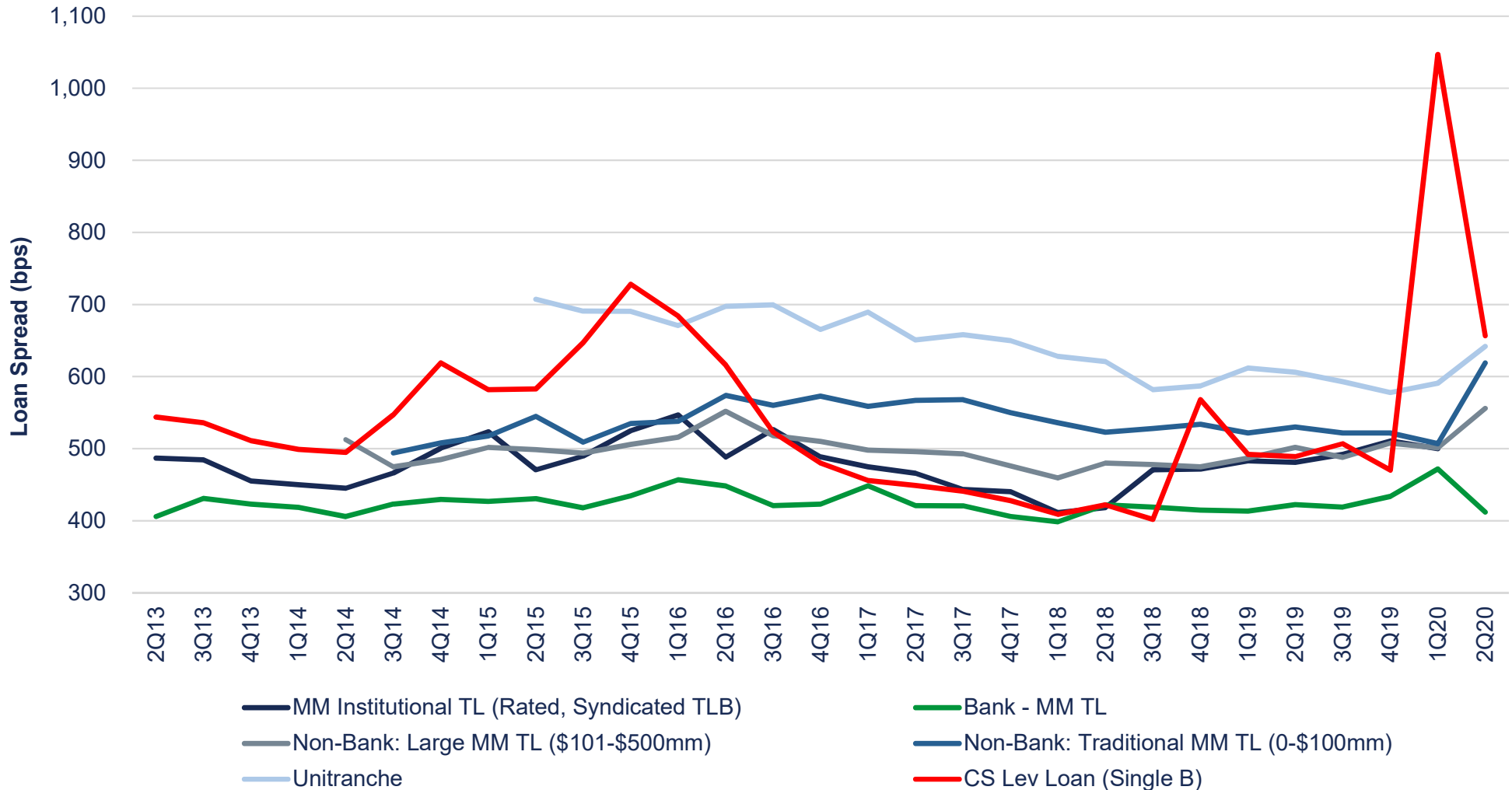
\$ in millions, except per share amounts; totals may not foot due to rounding.

The Middle-Market Landscape

All-In Senior Investment Spreads

As new deal activity slowly resumed in the middle market, direct lending spreads on new deals were ~50-100 bps wider (though new deal activity was inherently biased toward non-COVID impacted names). Single-B liquid spreads gapped tighter, though remain wide to middle-market levels

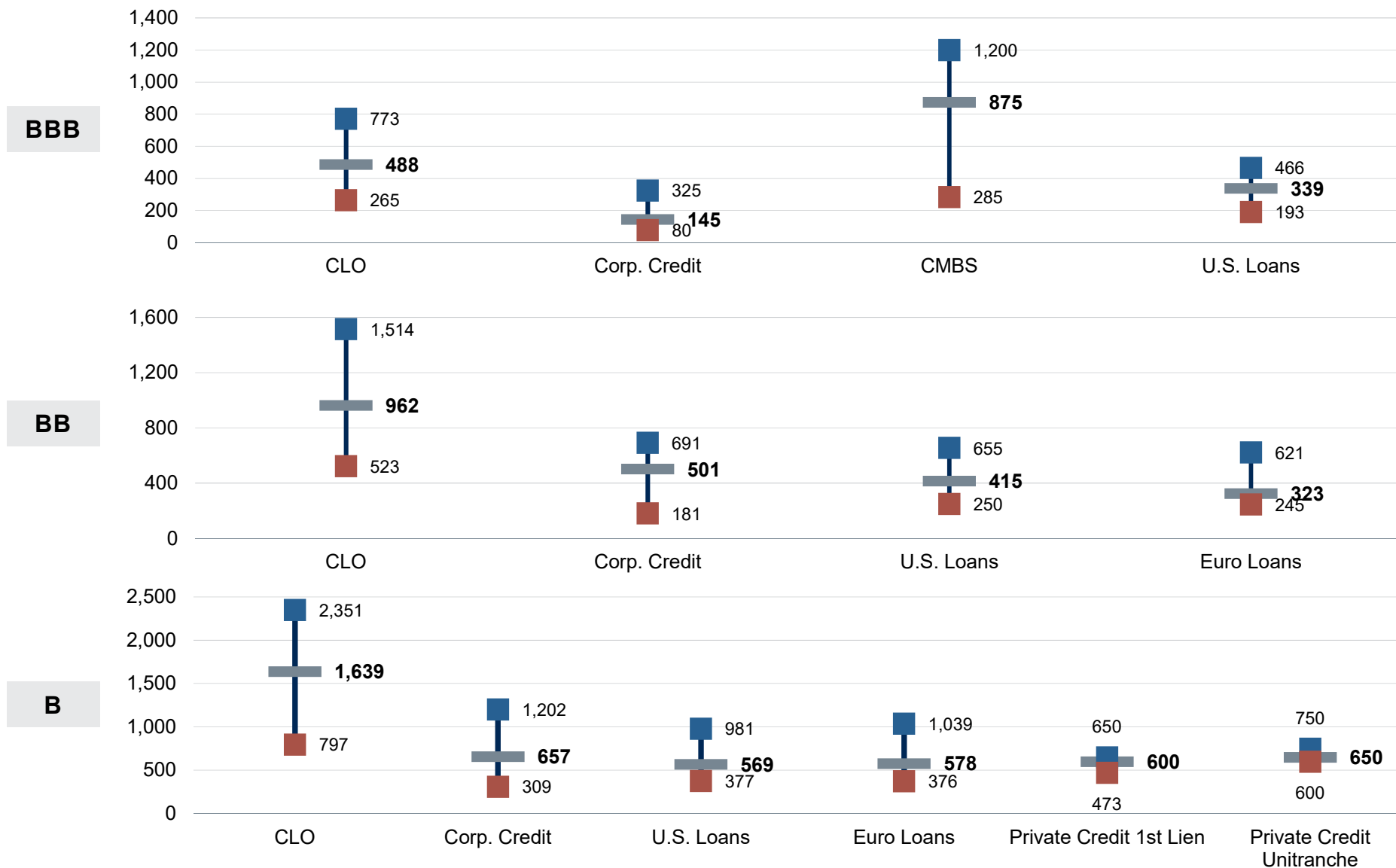
QUARTERLY MIDDLE-MARKET SPREADS ACROSS THE CAPITAL STRUCTURE



Source: Refinitiv LPC.

Relative Value in Credit Asset Classes

3 Year Lookback (Wide/Tight/Current):



CLO spread source: J.P. Morgan CLOIE Index, As of June 30, 2020.

CMBS, and Subprime Auto Spread to Swap Source: Bank of America/Merrill Lynch. As of July 3, 2020.

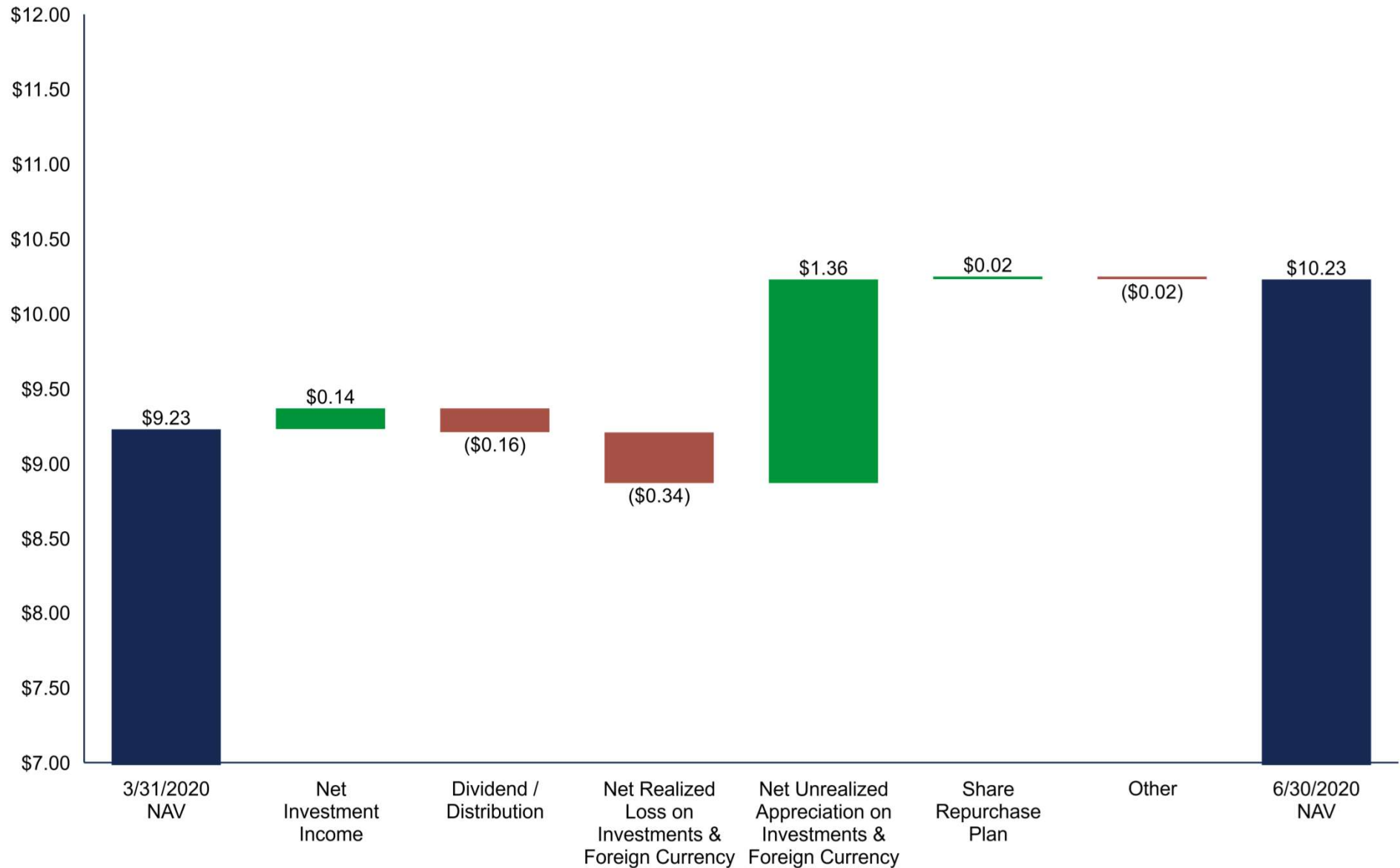
Corporate Credit Spread to Swap Source: Barclays. As of June 30, 2020.

U.S. and Europeans Loan Spread Source: Credit Suisse. As of June 30, 2020.

BBDC Financials

Net Asset Value Per Share (NAV) Bridge – 1Q20 to 2Q20

Since March 31, 2020, BBDC's NAV per share increased to \$10.23 from \$9.23 primarily due to portfolio appreciation on improvements in broad market conditions



Total may not foot due to rounding.

BBDC Income Statement

| | 2Q20 | 1Q20 | 4Q19 | 3Q19 | 2Q19 |
|---|---------------------|------------------------|---------------------|--------------------|--------------------|
| Investment income: | | | | | |
| Interest income | \$15,295,679 | \$17,674,402 | \$17,913,613 | \$18,448,942 | \$19,074,824 |
| Dividend income | 2,603 | — | 35,812 | 4,221 | 4,711 |
| Fee and other income | 650,433 | 960,993 | 447,001 | 848,792 | 519,970 |
| Payment-in-kind interest income | 191,049 | 43,572 | 5,413 | — | — |
| Interest income from cash | — | 631 | 953 | 2,152 | 2,183 |
| Total investment income | 16,139,764 | 18,679,598 | 18,402,792 | 19,304,107 | 19,601,688 |
| Operating expenses: | | | | | |
| Interest and other financing fees | 4,624,731 | 6,004,133 | 6,501,949 | 6,727,780 | 7,027,040 |
| Base management fee | 3,616,787 | 3,912,373 | 3,266,722 | 3,263,803 | 3,130,955 |
| Compensation expenses | — | 48,410 | 107,369 | 107,779 | 108,646 |
| General and administrative expenses | 1,369,117 | 1,420,613 | 1,332,500 | 1,217,570 | 1,922,165 |
| Total operating expenses | 9,610,635 | 11,385,529 | 11,208,540 | 11,316,932 | 12,188,806 |
| Base management fee waived | — | — | — | — | — |
| Net operating expenses | 9,610,635 | 11,385,529 | 11,208,540 | 11,316,932 | 12,188,806 |
| Net investment income | 6,529,129 | 7,294,069 | 7,194,252 | 7,987,175 | 7,412,882 |
| Realized and unrealized gains (losses) on investments and FX: | | | | | |
| Net realized gains (losses) | (16,514,997) | (302,372) | (2,747,198) | (983,499) | 50,024 |
| Net unrealized appreciation (depreciation) | 65,043,310 | (119,396,053) | 6,633,637 | (1,794,828) | 1,852,007 |
| Net realized and unrealized gains (losses) | 48,528,313 | (119,698,425) | 3,886,439 | (2,778,327) | 1,902,031 |
| Loss on extinguishment of debt | (306,202) | (137,390) | (154,080) | (13,357) | (85,356) |
| Income tax benefit (provision) | (2,532) | 19,999 | (339,831) | — | 17,493 |
| Net increase (decrease) in net assets resulting from operations | \$54,748,708 | (\$112,521,747) | \$10,586,780 | \$5,195,491 | \$9,247,050 |
| Net investment income per share—basic and diluted | \$0.14 | \$0.15 | \$0.15 | \$0.16 | \$0.15 |
| Net increase (decrease) in net assets resulting from operations per share—basic and diluted | \$1.14 | (\$2.30) | \$0.22 | \$0.10 | \$0.18 |
| Weighted average shares outstanding—basic and diluted | 47,977,481 | 48,887,393 | 49,146,873 | 49,987,312 | 50,473,640 |

BBDC Balance Sheet

Debt-to-equity at June 30, 2020 was 1.16x, or 1.00x⁽¹⁾ after adjusting for cash, short-term investments and unsettled transactions. Pro forma for the CLO debt repayment in July totaling \$48 million, debt-to-equity was 1.06x⁽¹⁾

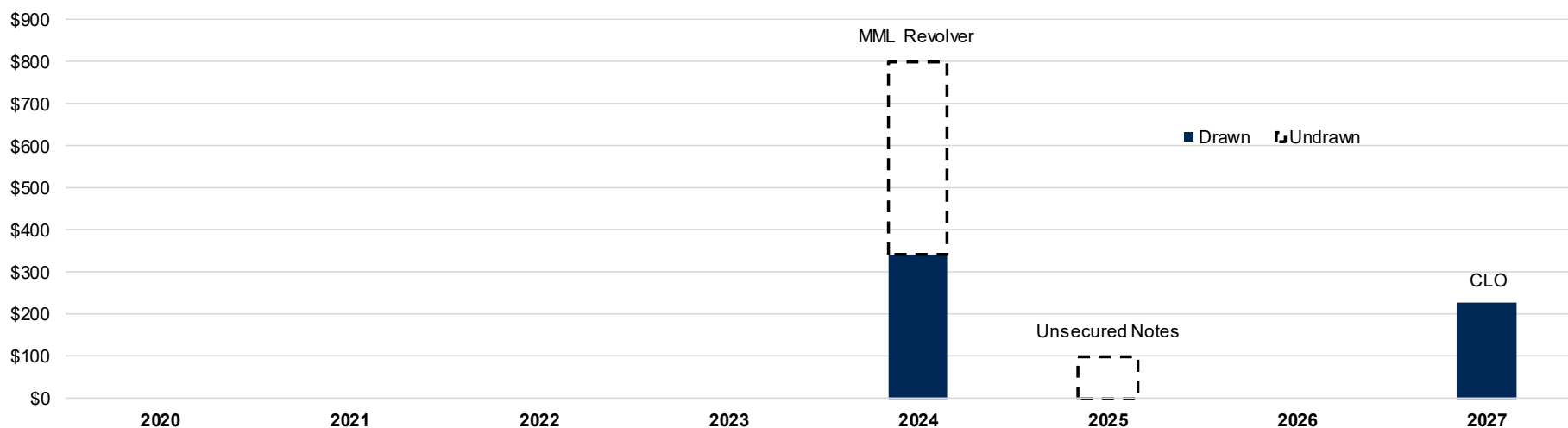
| | June 30, 2020 | March 31, 2020 | December 31, 2019 | September 30, 2019 | June 30, 2019 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Assets: | | | | | |
| Investments at fair value: | | | | | |
| Non-Control / Non-Affiliate investments | \$960,061,063 | \$964,896,944 | \$1,066,845,054 | \$1,096,632,222 | \$1,161,189,262 |
| Affiliate investments | 15,933,845 | 6,396,590 | 10,229,813 | 10,036,300 | 5,000,210 |
| Short-term investments | 58,046,124 | 100,459,806 | 96,568,940 | 51,552,247 | 34,423,491 |
| Total investments at fair value | 1,034,041,032 | 1,071,753,340 | 1,173,643,807 | 1,158,220,769 | 1,200,612,963 |
| Cash | 18,453,504 | 7,458,729 | 21,991,565 | 12,838,103 | 12,926,602 |
| Receivable from unsettled transactions | 575,630 | 4,138,890 | 45,254,808 | 30,322,297 | 115,302 |
| Other assets | 12,056,203 | 13,592,008 | 11,744,658 | 12,770,387 | 12,527,888 |
| Total assets | \$1,065,126,369 | \$1,096,942,967 | \$1,252,634,838 | \$1,214,151,556 | \$1,226,182,755 |
| Liabilities: | | | | | |
| Borrowings under credit facilities | \$342,921,705 | \$339,825,929 | \$352,488,419 | \$291,767,549 | \$285,500,000 |
| Debt securitization | 225,395,485 | 289,869,491 | 316,664,474 | 339,031,226 | 346,441,453 |
| Payable from unsettled transactions | — | 13,862,282 | 4,924,150 | 2,621,367 | 2,970,000 |
| Other liabilities | 6,335,985 | 7,640,357 | 7,683,086 | 8,286,434 | 8,191,597 |
| Total liabilities | 574,653,175 | 651,198,059 | 681,760,129 | 641,706,576 | 643,103,050 |
| Total net assets | 490,473,194 | 445,744,908 | 570,874,709 | 572,444,980 | 583,079,705 |
| Total liabilities and net assets | \$1,065,126,369 | \$1,096,942,967 | \$1,252,634,838 | \$1,214,151,556 | \$1,226,182,755 |
| Net asset value per share | \$10.23 | \$9.23 | \$11.66 | \$11.58 | \$11.59 |

1. Refer to slide 28 for reconciliation of Debt-to-Equity Ratio to Net Debt-to-Equity Ratio and Pro Forma Debt-to-Equity Ratio.

Debt Summary and Maturity Profile

BBDC executed a \$100 million private placement of unsecured notes in August, with plans to draw on the commitment over the next year; given continued portfolio rotation, the BSL credit facility was voluntarily terminated on June 30, 2020

| | Borrower | Collateral | Maturity Date | As of 6/30/2020 | | As of 3/31/2020 | | As of 12/31/2019 | |
|--------------------------------|------------------------------------|-------------|---------------|----------------------------|------------------------------|----------------------------|------------------------------|----------------------------|------------------------------|
| | | | | Principal Amount Committed | Principal Amount Outstanding | Principal Amount Committed | Principal Amount Outstanding | Principal Amount Committed | Principal Amount Outstanding |
| Revolving Credit Facility | Barings BDC Senior Funding I, LLC | BSL | Aug-2021 | n/a | n/a | 80.0 | 48.2 | 150.0 | 107.2 |
| Revolving Credit Facility | Barings BDC, Inc. | MML and BSL | Feb-2024 | 800.0 | 342.9 | 800.0 | 291.6 | 800.0 | 245.3 |
| CLO Class A-1 | Barings BDC Static CLO Ltd. 2019-I | BSL | Apr-2027 | 174.9 | 174.9 | 239.7 | 239.7 | 266.7 | 266.7 |
| CLO Class A-2 | Barings BDC Static CLO Ltd. 2019-I | BSL | Apr-2027 | 51.5 | 51.5 | 51.5 | 51.5 | 51.5 | 51.5 |
| Unsecured Notes ⁽¹⁾ | Barings BDC, Inc. | n/a | Aug-2025 | 100.0 | 0.0 | n/a | n/a | n/a | n/a |
| Total Debt | | | | \$1,126.4 | \$569.3 | \$1,171.2 | \$631.1 | \$1,268.2 | \$670.7 |



Note: Dollar amounts in millions. Excludes deferred financing fees.

1. Note Purchase Agreement dated August 3, 2020 for unsecured notes due August 4, 2025.

Liquidity Summary

BBDC has available liquidity under its senior secured revolving credit agreement and unsecured debt commitment, with cushion to support its unused capital commitments of \$114 million as well as make new investments as the market opportunity evolves

| Debt / Net Debt-to-Equity Ratio Scenarios | | | |
|--|--------------------------------|------------------|--|
| | Debt / Net Debt Outstanding | Total Net Assets | Debt / Net Debt-to- Equity Ratio ⁽¹⁾ |
| Debt-to-equity ratio, June 30, 2020 | \$569.3 | \$490.5 | 1.16x |
| Adjust for cash, short-term investments and unsettled transactions | (77.1) | - | |
| Net debt-to-equity ratio, June 30, 2020 | 492.3 | 490.5 | 1.00x |
| Fund all unused commitments to extend debt financing | 70.5 | - | |
| Pro forma net debt-to-equity ratio | 562.7 | 490.5 | 1.15x |
| Fund remaining joint venture commitments | 43.5 | - | |
| Pro forma net debt-to-equity ratio | 606.2 | 490.5 | 1.24x |
| Assumed sale of 25% of liquid syndicated senior secured loan portfolio | (87.7) | - | |
| Pro forma net debt-to-equity ratio | \$518.5 | \$490.5 | 1.06x |

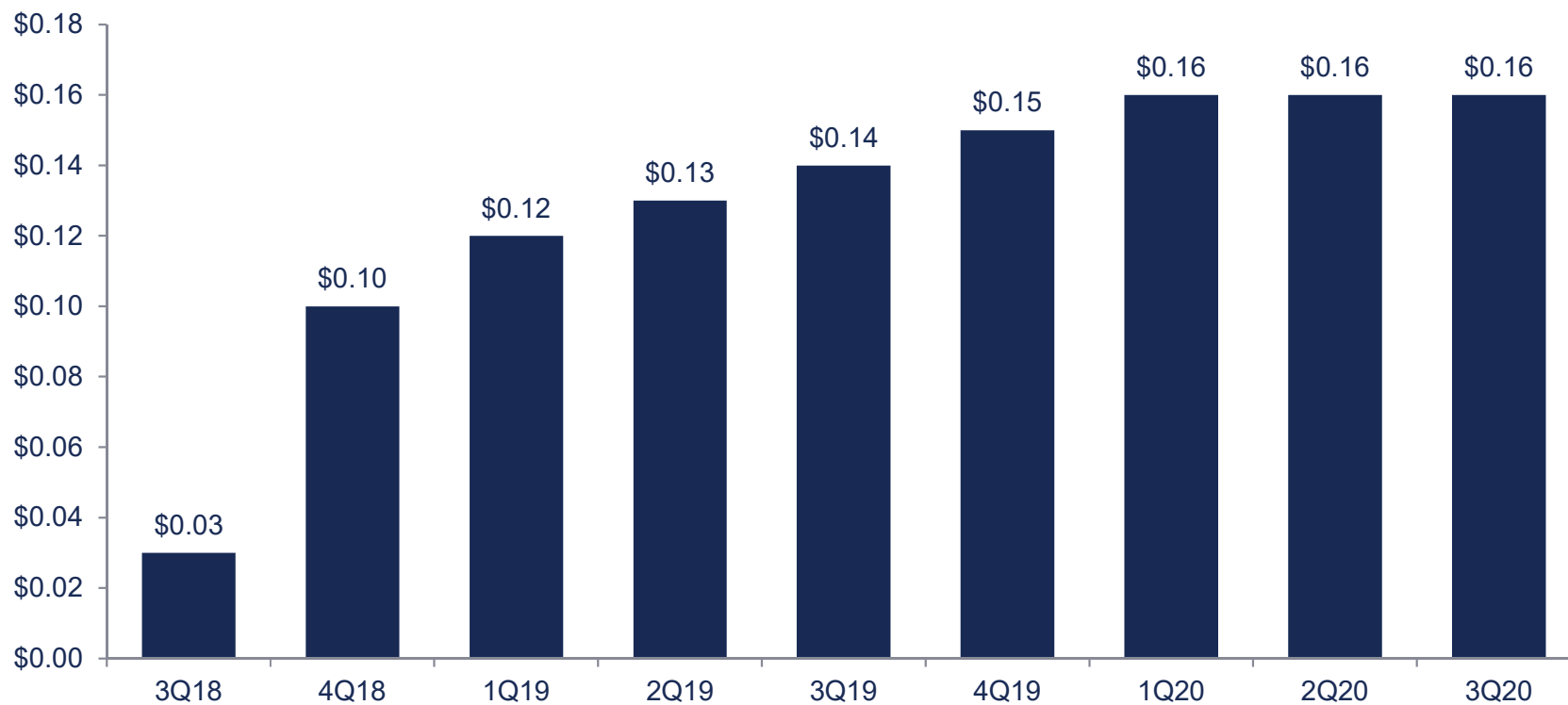
Note: Dollar amounts in millions, except Debt / Net Debt-to-Equity Ratio.

1. Refer to slide 28 for reconciliation of Debt-to-Equity Ratio to Net Debt-to-Equity Ratio.

Quarterly Dividends

BBDC has declared a third quarter dividend of \$0.16 per share

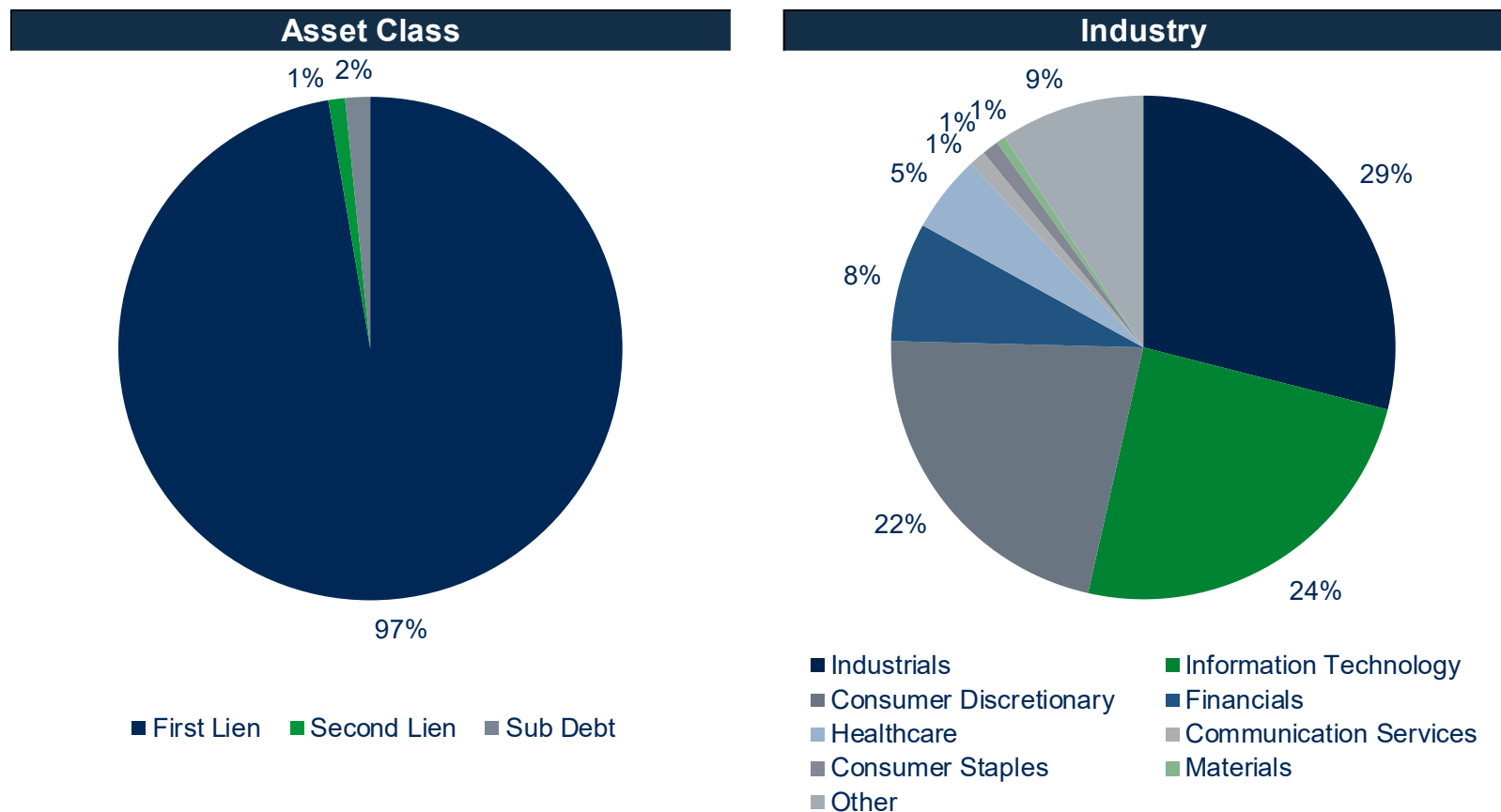
BBDC DIVIDENDS DECLARED PER SHARE



3Q 2020 Origination Pipeline

Investment Activity Since Quarter End and Investment Pipeline

- From July 1, 2020 through August 4, 2020, Barings BDC made approximately \$60.6 million of new private debt commitments, of which approximately \$15.7 million closed and funded. In addition, BBDC funded \$5.7 million of previously-committed delayed draw term loans
- Of the new Q3 commitments, the weighted-average origination margin (DM-3) is 10.7%, 87% are in first lien senior secured loans, and 27% are European originations
- As of August 4, 2020, Barings Global Private Finance group had a probability-weighted pipeline of approximately \$937 million¹
- The following is a breakdown of the pipeline by seniority and by industry



1. Represents pipeline applicable to all investment vehicles managed by Barings Global Private Finance. Not all deals may be suitable for Barings BDC. Barings BDC allocations to be determined in accordance with Barings Global Private Finance allocation policy.

Appendix

Appendix: Reconciliation of Debt to Net Debt and Calculation of Net Debt-to-Equity and Pro Forma Debt-to-Equity Ratios

| | June 30, 2020 | March 31, 2020 | December 31, 2019 | September 30, 2019 | June 30, 2019 |
|--|--------------------|--------------------|----------------------|-----------------------|--------------------|
| Total debt (principal) | \$569,341,828 | \$631,061,734 | \$670,698,595 | \$632,548,859 | \$633,750,000 |
| <i>minus: Cash</i> | (18,453,504) | (7,458,729) | (21,991,565) | (12,838,103) | (12,926,602) |
| <i>minus: Short-term investments</i> | (58,046,124) | (100,459,806) | (96,568,940) | (51,552,247) | (34,423,491) |
| <i>plus: Payable from unsettled transactions</i> | — | 13,862,282 | 4,924,150 | 2,621,367 | 2,970,000 |
| <i>minus: Receivable from unsettled transactions</i> | (575,630) | (4,138,890) | (45,254,808) | (30,322,297) | (115,302) |
| Total net debt | 492,266,570 | 532,866,591 | 511,807,432 | 540,457,579 | 589,254,605 |
| Total net assets | 490,473,194 | 445,744,908 | 570,874,709 | 572,444,980 | 583,079,705 |
| Total net debt-to-equity ratio | 1.00x | 1.20x | 0.90x | 0.94x | 1.01x |

| | June 30, 2020 | March 31, 2020 |
|---|--------------------|--------------------|
| Total debt (principal) | \$569,341,828 | \$631,061,734 |
| <i>minus: April BSL credit facility repayment</i> | — | (19,500,000) |
| <i>minus: April CLO Class A-1 repayment</i> | — | (64,815,681) |
| <i>minus: July CLO Class A-1 repayment</i> | (48,107,075) | — |
| Pro forma total debt | 521,234,753 | 546,746,053 |
| Total net assets | 490,473,194 | 445,744,908 |
| Pro forma debt-to-equity ratio | 1.06x | 1.23x |

Totals may not foot due to rounding.

Appendix: Barings BDC Corporate Data

Board of Directors

MICHAEL FRENO
Chairman of BBDC Board,
President of Barings, Head of
Investments at Barings

TOM FINKE
Chairman and CEO of
Barings

ERIC LLOYD
CEO of BBDC, Head of
Global Private Investments at
Barings

TOM OKEL
Former Executive Director of
Catawba Lands Conservancy,
a nonprofit land trust

JILL OLMSTEAD
Chief Human Resources
Officer at LendingTree

MARK MULHERN
Senior Vice President and
CFO at Highwoods Properties

JOHN SWITZER
Retired Managing Partner at
KPMG

Investment Committee

ERIC LLOYD
Chief Executive Officer

IAN FOWLER
President

JONATHAN BOCK
Chief Financial Officer

TOM MCDONNELL
Vice President

Corporate Officers

ERIC LLOYD
Chief Executive Officer

IAN FOWLER
President

JONATHAN BOCK
Chief Financial Officer

MICHAEL COWART
Chief Compliance Officer

JILL DINERMAN
Chief Legal Officer

ELIZABETH MURRAY
Principal Accounting Officer

CHRIS CARY
Head of Stakeholder
Relations and Assistant
Treasurer

JONATHAN LANDSBERG
Assistant Director of Finance

TOM MCDONNELL
Vice President

THOMAS MOSES
Treasurer

ALEXANDRA PACINI
Assistant Secretary

ASHLEE STEINNERD
Corporate Secretary

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KPMG LLP

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