



## EAGLE POINT CREDIT COMPANY INC. ANNOUNCES FOURTH QUARTER 2021 AND YEAR-END 2021 FINANCIAL RESULTS

GREENWICH, Conn. – February 17, 2022 – Eagle Point Credit Company Inc. (the “Company”) (NYSE: ECC, ECCB, ECCC, ECC PRD, ECCV, ECCW, ECCX) today announced financial results for the quarter and fiscal year ended December 31, 2021, net asset value (“NAV”) as of December 31, 2021, and certain additional activity through February 11, 2022.

### FOURTH QUARTER AND FULL YEAR 2021 HIGHLIGHTS

- Net investment income (“NII”) and realized capital losses of \$0.37 per weighted average common share<sup>1</sup> for the fourth quarter, net of \$0.07 per share of non-recurring expenses and losses.
- NAV per common share of \$13.39 as of December 31, 2021.
- Fourth quarter GAAP net income (inclusive of unrealized mark-to-market losses) of \$7.3 million, or \$0.20 per weighted average common share.
- Weighted average effective yield of the Company’s collateralized loan obligation (“CLO”) equity portfolio (excluding called CLOs), based on amortized cost, was 17.04% as of December 31, 2021. Weighted average expected yield of the Company’s CLO equity portfolio (excluding called CLOs), based on fair market value, was 18.61% as of December 31, 2021<sup>2</sup>.
- Deployed \$24.7 million in net capital into CLO equity and debt investments and received \$47.8 million in recurring cash distributions<sup>3</sup> from the Company’s investment portfolio.
- 3 of the Company’s CLO equity positions were reset and 2 of the Company’s CLO equity positions were refinanced.
- Issued 2,162,729 shares of common stock and 211,226 shares of Series C Term Preferred Stock due 2031 (“Series C Term Preferred Stock”), pursuant to the Company’s “at-the-market” offering program, for total net proceeds of approximately \$35.6 million.
- Completed an underwritten public offering of \$25.0 million in aggregate principal amount of 6.75% Series D Preferred Stock (“ECC PRD” or “Series D Preferred Stock”), resulting in net proceeds to the Company of approximately \$23.9 million.
- Redeemed 1,078,383 shares (or 50% of shares outstanding) of 7.75% Series B Term Preferred Stock due 2026 (“ECCB” or “Series B Term Preferred Stock”).

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<sup>1</sup> “Per weighted average common share” data are on a weighted average basis based on the average daily number of shares of common stock outstanding for the period and “per common share” refers to per share of the Company’s common stock.

<sup>2</sup> Weighted average effective yield is based on an investment’s amortized cost whereas weighted average expected yield is based on an investment’s fair market value as of the applicable period end as disclosed in the Company’s financial statements, which is subject to change from period to period. Please refer to the Company’s audited financial statements for additional disclosures.

<sup>3</sup> “Recurring cash distributions” refers to the quarterly distributions received by the Company from its CLO equity and debt investments and distributions from loan accumulation facilities in excess of capital invested and excludes funds received from CLOs called.

## SUBSEQUENT EVENTS

- NAV per common share is estimated to be between \$13.42 and \$13.52 as of January 31, 2022. At the midpoint of the range, this represents an increase of 0.6% from December 31, 2021.
- Received \$39.1 million of recurring cash distributions from the Company's investment portfolio during January 2022.
- From January 1, 2022 to February 11, 2022, deployed \$28.9 million in net capital into CLO equity and debt investments.
- From January 1, 2022 to February 11, 2022, issued 2,426,061 shares of common stock, 161,726 shares of Series C Term Preferred Stock, and 70,088 shares of Series D Preferred Stock pursuant to the Company's "at-the-market" offering program, for total net proceeds of approximately \$39.0 million.
- Completed an underwritten public offering, including partial exercise of the underwriters' overallotment option, of \$93.3 million in aggregate principal amount of 5.375% notes due 2029 ("ECCV"), resulting in net proceeds to the Company of approximately \$89.9 million.
- Fully redeemed 6.75% notes due 2027 ("ECCY") and redeemed 50% of 6.6875% notes due 2028 ("ECCX"); announced full redemption of the Series B Term Preferred Stock to be completed on February 28, 2022.
- Paid a special distribution to common stockholders of \$0.50 per share on January 24, 2022 to stockholders of record as of December 23, 2021.
- Declared a 17% increase in common stock monthly distributions to \$0.14 per share beginning in April 2022.

"We closed out 2021 with another excellent quarter, with NII and realized losses before non-recurring items of \$0.44 per share. Once again, this amount exceeded our common distribution level and our portfolio generated strong recurring cash flows, enabling us with confidence to increase our monthly common distribution to \$0.14 per share," said Thomas Majewski, Chief Executive Officer. "For the full year 2021, the Company increased its NAV per share by 20% and generated a GAAP ROE of 36%."

"Importantly, we made significant strides in the last few months to proactively strengthen our balance sheet and liquidity, positioning us well for a rising rate environment," added Mr. Majewski. "We successfully completed underwritten offerings of 6.75% ECC PRD perpetual preferred stock and 5.375% ECCV notes, the latter of which was accomplished at our lowest cost of capital to date. The proceeds are being used to retire our higher-cost ECCB preferred stock, ECCY notes and half of our ECCX notes, enabling us to achieve significant savings moving forward. With 100% fixed-rate financing, no debt maturities prior to 2028 once we retire the ECCB preferred stock, and approximately \$31.1 million in cash as of February 11, 2022, we remain well positioned to take advantage of additional investment opportunities as we seek to generate attractive risk-adjusted returns."

## FOURTH QUARTER 2021 RESULTS

The Company's NII and realized capital losses for the quarter ended December 31, 2021 was \$0.37 per weighted average common share. This compared to \$0.39 of NII and realized capital gains per weighted average common share for the quarter ended September 30, 2021, and NII less realized capital losses resulting in a net loss of \$0.80 per weighted average common share for the quarter ended December 31, 2020.

NII and realized capital losses for the quarter ended December 31, 2021 is net of non-recurring losses of \$0.02 per share related to the acceleration of unamortized issuance costs associated with the partial

redemption of the Series B Term Preferred Stock, as well as a liability for estimated excise tax of \$0.05 per share.

For the quarter ended December 31, 2021, the Company recorded GAAP net income of \$7.3 million, or \$0.20 per weighted average common share. Net income was comprised of total investment income of \$27.1 million, partially offset by total net unrealized depreciation (or unrealized mark-to-market losses in the value of the Company's investments and certain liabilities at fair value) of \$6.2 million, realized capital losses of \$0.2 million and net expenses of \$13.4 million.

NAV as of December 31, 2021 was \$502.3 million, or \$13.39 per common share, which is \$0.59 per common share lower than the Company's NAV as of September 30, 2021, and \$2.21 per common share higher than the Company's NAV as of December 31, 2020.

During the quarter ended December 31, 2021, the Company deployed \$24.7 million in net capital into CLO equity and debt investments, and converted 1 loan accumulation facility into a CLO. The weighted average effective yield of new CLO equity investments made by the Company during the quarter, which includes a provision for credit losses, was 16.8% as measured at the time of investment.

During the quarter ended December 31, 2021, the Company received \$47.8 million of recurring cash distributions from its investment portfolio, or \$1.32 per weighted average common share, which was well in excess of the Company's aggregate distributions on its common stock and operating costs for the quarter.

During the quarter ended December 31, 2021, 3 of the Company's CLO equity investments were reset and 2 of the Company's CLO equity investments were refinanced.

As of December 31, 2021, based on amortized cost, the weighted average effective yield on the Company's CLO equity portfolio (excluding called CLOs) was 17.04%, compared to 16.35% as of September 30, 2021 and 11.05% as of December 31, 2020.

Pursuant to the Company's "at-the-market" offering, the Company sold 2,162,729 shares of common stock and 211,226 shares of Series C Term Preferred Stock during the fourth quarter for total net proceeds to the Company of approximately \$35.6 million.

## **FULL YEAR 2021 HIGHLIGHTS AND PORTFOLIO STATUS**

For the fiscal year ended December 31, 2021, the Company recorded net income of \$131.7 million. Fiscal year net income was comprised of total investment income of \$88.5 million, total net unrealized appreciation (or unrealized mark-to-market gains in the value of the Company's investments and certain liabilities at fair value) of \$84.6 million and net realized capital gains on investments of \$3.4 million, partially offset by realized losses associated with the extinguishment of preferred stock of \$0.8 million and net expenses of \$44.0 million. For the year, the Company's GAAP return on common equity, or ROE, was 36%<sup>4</sup>.

For the fiscal year ended December 31, 2021, the Company received \$159.8 million of recurring cash distributions from its investment portfolio, or \$4.67 per weighted average common share. When including proceeds from called investments, the Company received cash distributions of \$164.5 million, or \$4.81 per weighted average common share.

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<sup>4</sup> Return on the Company's common equity reflects the Company's cumulative monthly performance net of applicable expenses and fees measured against beginning capital adjusted for any common equity issued during the period.

As of December 31, 2021, on a look-through basis, and based on the most recent CLO trustee reports received by such date, the Company had indirect exposure to approximately 1,829 unique corporate obligors. The largest look-through obligor represented 0.8% of the Company's CLO equity and loan accumulation facility portfolio. The top-ten largest look-through obligors together represented 5.7% of the Company's CLO equity and loan accumulation facility portfolio.

The look-through weighted average spread of the loans underlying the Company's CLO equity and related investments was 3.55% as of December 2021, an increase of two basis points from 3.53% as of September 2021.

As of December 31, 2021, the Company had debt and preferred securities outstanding which totaled approximately 32% of its total assets (less current liabilities). Over the long-term, management expects to operate the Company generally with leverage within a range of 25% to 35% of total assets under normal market conditions. Based on applicable market conditions at any given time, or should significant opportunities present themselves, the Company may incur leverage outside of this range, subject to applicable regulatory limits.

## **FIRST QUARTER 2022 PORTFOLIO ACTIVITY THROUGH FEBRUARY 11, 2022 AND OTHER UPDATES**

During January, the Company received \$39.1 million of recurring cash distributions from its investment portfolio. As of January 31, 2022, some of the Company's investments had not yet reached their payment date for the quarter. From January 1, 2022 to February 11, 2022, the Company deployed \$28.9 million in net capital into CLO debt and equity investments.

As of February 11, 2022, the Company had approximately \$31.1 million of cash available for investment.

Pursuant to the Company's "at-the-market" offerings, the Company issued 2,426,061 shares of common stock, 161,726 shares of Series C Term Preferred Stock and 70,088 shares of Series D Preferred Stock from January 1, 2022 to February 11, 2022 for total net proceeds to the Company of approximately \$39.0 million.

As previously published on the Company's website, management's estimate of the range of the Company's NAV per common share as of January 31, 2022 was \$13.42 to \$13.52.

## **DISTRIBUTIONS**

The Company paid a monthly distribution of \$0.12 per common share on January 31, 2022 to stockholders of record as of January 11, 2022. Additionally, and as previously announced, the Company declared distributions of \$0.12 per share of common stock payable on February 28, 2022 and March 31, 2022 to stockholders of record as of February 8, 2022 and March 11, 2022, respectively, and distributions of \$0.14 per share of common stock payable on April 29, 2022, May 31, 2022 and June 30, 2022 to stockholders of record as of April 11, 2022, May 11, 2022 and June 10, 2022, respectively. The ability of the Company to declare and pay distributions is subject to a number of factors, including the Company's results of operations.

The Company paid a monthly distribution of \$0.161459 per share of the Series B Term Preferred Stock (NYSE: ECCB) on January 31, 2022, to stockholders of record as of January 11, 2022. The distribution represented a 7.75% annualized rate, based on the \$25 liquidation preference per share for the Series B Term Preferred Stock. As previously announced, the Company will redeem all of the outstanding shares of

Series B Term Preferred Stock on February 28, 2022. The redemption price of the Series B Term Preferred Stock will be \$25 per share, plus an amount equal to all unpaid dividends and distributions on each shares accumulated to, but excluding the Series B Term Preferred Stock redemption date, without interest thereon.

The Company paid a distribution of \$0.135417 per share of the Series C Term Preferred Stock (NYSE: ECCC) on January 31, 2022, to stockholders of record as of January 11, 2022. The distribution represented a 6.50% annualized rate, based on the \$25 liquidation preference per share for the Series C Term Preferred Stock. Additionally, and as previously announced, the Company declared distributions of \$0.135417 per share on its Series C Term Preferred Stock, payable on each of February 28, 2022, March 31, 2022, April 29, 2022, May 31, 2022 and June 30, 2022 to stockholders of record as of February 8, 2022, March 11, 2022, April 11, 2022, May 11, 2022 and June 10, 2022, respectively.

The Company paid a distribution of \$0.140625 per share of the Series D Preferred Stock (NYSE: ECC PRD) on January 31, 2022, to stockholders of record as of January 11, 2022. The distribution represented a 6.75% annualized rate, based on the \$25 liquidation preference per share for the Series D Preferred Stock. Additionally, and as previously announced, the Company declared distributions of \$0.140625 per share on its Series D Preferred Stock, payable on each of February 28, 2022, March 31, 2022, April 29, 2022, May 31, 2022 and June 30, 2022 to stockholders of record as of February 8, 2022, March 11, 2022, April 11, 2022, May 11, 2022 and June 10, 2022, respectively.

Distributions on stock are generally paid from net investment income (regular interest and dividends) and may also include capital gains and/or a return of capital. The specific tax characteristics of the distributions will be reported to the Company's stockholders on Form 1099 after the end of the calendar year.

### **SPECIAL DISTRIBUTION**

For the Company's tax year ended November 30, 2021, the Company estimates taxable income will exceed the aggregate amount distributed to common stockholders for the same time period. As a result, the Company paid a special distribution of \$0.50 per common share on January 24, 2022 to stockholders of record as of December 23, 2021. The Company's final taxable income and the actual amount required to be distributed in respect of the tax year ended November 30, 2021 will be finally determined when the Company files its final tax returns and the Company expects that its final taxable income will exceed amounts already distributed in respect of the 2021 tax year. The Company has incurred a 4% excise tax on the estimated amount of remaining undistributed taxable income pertaining to the 2021 tax year which is estimated to be \$0.05 per weighted average common share and which is recorded as a liability in the Company's December 31, 2021 financial results.

## **CONFERENCE CALL**

The Company will host a conference call at 10:00 a.m. (Eastern Time) today to discuss the Company's financial results for the quarter and full year ended December 31, 2021, as well as a portfolio update.

All interested parties may participate in the conference call by dialing (877) 407-0789 (toll-free) or (201) 689-8562 (international), and referencing Conference ID 13726312 approximately 10 to 15 minutes prior to the call.

A live webcast will also be available on the Company's website ([www.eaglepointcreditcompany.com](http://www.eaglepointcreditcompany.com)). Please go to the Investor Relations section at least 15 minutes prior to the call to register, download and install any necessary audio software.

An archived replay of the call will be available shortly afterwards until March 17, 2022. To hear the replay, please dial (844) 512-2921 (toll-free) or (412) 317-6671 (international). For the replay, enter Conference ID 13726312.

## **ADDITIONAL INFORMATION**

The Company has made available on the investor relations section of its website, [www.eaglepointcreditcompany.com](http://www.eaglepointcreditcompany.com) (in the financial statements and reports section), its 2021 Annual Report, which includes the Company's audited consolidated financial statements as of and for the period ended December 31, 2021. The Company also published on its website (in the presentations and events section) an investor presentation, which contains additional information about the Company and its portfolio as of and for the quarter and year ended December 31, 2021. The Company has filed these reports with the Securities and Exchange Commission.

## **ABOUT EAGLE POINT CREDIT COMPANY**

The Company is a non-diversified, closed-end management investment company. The Company's primary investment objective is to generate high current income, with a secondary objective to generate capital appreciation, primarily by investing in equity and junior debt tranches of collateralized loan obligations. The Company is externally managed and advised by Eagle Point Credit Management LLC.

The Company makes certain unaudited portfolio information available each month on its website in addition to making certain other unaudited financial information available on its website ([www.eaglepointcreditcompany.com](http://www.eaglepointcreditcompany.com)). This information includes (1) an estimated range of the Company's net investment income ("NII") and realized capital gains or losses per share of common stock for each calendar quarter end, generally made available within the first fifteen days after the applicable calendar month end, (2) an estimated range of the Company's NAV per share of common stock for the prior month end and certain additional portfolio-level information, generally made available within the first fifteen days after the applicable calendar month end, and (3) during the latter part of each month, an updated estimate of NAV, if applicable, and, with respect to each calendar quarter end, an updated estimate of the Company's NII and realized capital gains or losses per share for the applicable quarter, if available.

## **FORWARD-LOOKING STATEMENTS**

*This press release may contain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Statements other than statements of historical facts included in this press*

*release may constitute forward-looking statements and are not guarantees of future performance or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including those described in the Company's filings with the U.S. Securities and Exchange Commission ("SEC"). The Company undertakes no duty to update any forward-looking statement made herein. All forward-looking statements speak only as of the date of this press release.*

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