

Medley Capital Corporation (NYSE: MCC)

Investor Presentation

Quarter Ended March 31, 2020

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Executive Summary

- Net asset value of \$2.60 per share for the quarter ended 3/31/20
- Net investment loss of \$0.08 per share for the quarter ended 3/31/20
- The board of directors did not declare a dividend this quarter
- Israeli Notes were fully repaid on 4/14/20
- Cash and cash equivalents represent 19.2% of total assets as of the quarter ended 3/31/20
- At 3/31/19, ten investments were on non-accrual, representing 11.0% of fair market value and two investments were on partial non-accrual, representing 5.2% of fair market value.
 - At 12/31/19, eight investments were on non-accrual, representing 4.7% of fair market value
- On May 1, 2020, the Company received a notice of termination from Sierra Income Corporation of the Amended MCC Merger Agreement¹

Note: Per share amounts are based on 54,474,211 weighted average shares outstanding for the period.

1. Under the Amended MCC Merger Agreement, either party could, subject to certain conditions, terminate the Amended MCC Merger Agreement if the MCC Merger had not been consummated by March 31, 2020. Sierra elected to do so on May 1, 2020. Representatives of Sierra informed the Company that in determining to terminate the Amended MCC Merger Agreement, Sierra considered a number of factors, including, among other factors, changes in the relative valuation of the Company and Sierra, the changed circumstances and the unpredictable economic conditions resulting from the global health crisis caused by the coronavirus (COVID-19) pandemic, and the uncertainty regarding the parties' ability to satisfy the conditions to closing the MCC Merger in a timely manner.

Financial & Portfolio Highlights

Financial Highlights

	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19
Net investment income (loss) per share	\$ (0.08)	\$ 0.06	\$ (0.15)	\$ (0.07)	\$ (0.19)
Net realized gains (losses) per share	\$ -	\$ (0.03)	\$ (0.66)	\$ (0.16)	\$ (0.19)
Loss on extinguishment of Debt	\$ (0.02)	\$ (0.02)	\$ (0.00)	\$ (0.03)	\$ -
Net unrealized gains (losses)	\$ (1.35)	\$ 0.07	\$ 0.23	\$ (0.29)	\$ (0.06)
Net income (loss) per share ¹	\$ (1.45)	\$ 0.08	\$ (0.58)	\$ (0.56)	\$ (0.45)
Net asset value per share	\$ 2.60	\$ 4.05	\$ 3.97	\$ 4.55	\$ 5.11

Portfolio Highlights

- \$255.9 million total fair value of investments as of March 31, 2020, down 25.2% from \$342.0 as of December 31, 2019 (the decrease is comprised 85.5% of fair market value depreciation and 14.5% of net repayments)
- \$13.8 million net repayments during quarter ended March 31, 2020
- Assets rated 4 & 5 represented 10.2% of the portfolio for quarter ended March 31, 2020, up from 4.7% for quarter ended December 31, 2019

Asset Mix by Investment Type

Asset Class	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019
Senior Secured 1st Lien	41.4%	40.7%	48.6%	52.2%	60.7%
Senior Secured 2nd Lien	9.9%	10.4%	9.2%	7.4%	5.9%
Unsecured Debt	0.6%	0.7%	0.7%	0.6%	0.4%
MCC Senior Loan Strategy JV I LLC	16.4%	19.3%	17.6%	15.3%	12.3%
Equity/Warrants	31.7%	28.9%	23.9%	24.5%	20.7%

Asset Mix by Rating

Rating	3/31/2020	12/31/2019	9/30/2019	6/30/2019	3/31/2019
1	25.5%	23.9%	26.5%	26.6%	34.5%
2	42.1%	42.7%	36.8%	34.1%	37.6%
3	22.2%	28.7%	31.1%	31.8%	17.8%
4	1.8%	-	1.2%	-	3.8%
5	8.4%	4.7%	4.4%	7.5%	6.3%

1. May not foot due to rounding.

Select Financial & Portfolio Information

**As of and for the Three Months Ended
(dollars in millions, except per share data)**

	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19
Net investment income (loss) per share - basic & diluted	\$ (0.08)	\$ 0.06	\$ (0.15)	\$ (0.07)	\$ (0.19)
Net realized and unrealized gains (losses) per share - basic & diluted ^{1 2}	(1.37)	0.02	(0.43)	(0.48)	(0.26)
GAAP EPS - basic & diluted ³	(1.45)	0.08	(0.58)	(0.56)	(0.45)
Dividend declared per share	-	-	-	-	-
Stockholders' equity	141.7	220.6	216.4	248.1	278.3
Net asset value per share	2.60	4.05	3.97	4.55	5.11
Market Capitalization ⁴	\$ 31.6	\$ 118.8	\$ 141.1	\$ 127.5	\$ 169.4
Common stock data:					
High Price ⁵	2.25	2.63	2.81	3.45	3.60
Low Price ⁵	0.35	1.93	2.24	2.20	2.62
Closing Price	0.58	2.18	2.59	2.34	3.11
Interest-bearing investments at fair value	\$ 255.9	\$ 342.0	\$ 396.9	\$ 475.8	\$ 612.5
% Floating Rate ⁶	82.7%	83.5%	85.2%	76.6%	80.4%
% Fixed Rate ⁶	17.3%	16.5%	14.8%	23.4%	19.6%
Number of Portfolio Companies	44	46	51	54	60
Gross originations for the quarter	\$ 6.6	\$ 6.7	\$ 7.3	\$ 6.7	\$ 13.3
Realizations/amortizations for the quarter	20.4	65.0	65.0	120.1	31.0
Net originations/(realizations) for the quarter	(13.8)	(58.3)	(57.7)	(113.4)	(17.7)

Note: Basic and diluted per share data reflects weighted average common shares outstanding of 54,474,211 as of 3/31/20, 12/31/19, 9/30/19, 6/30/19 and 3/31/19.

- Inclusive of change in provision for taxes of (\$85,664) for the quarter ended 3/31/20, \$0 for the quarter ended 12/31/19, \$0 for the quarter ended 9/30/19, \$0 for the quarter ended 6/30/19 and \$0 for the quarter ended 3/31/19.
- Inclusive of loss on extinguishment of debt.
- May not foot due to rounding.
- Reflects common shares outstanding of 54,474,211 and a closing price of \$0.58 as of 3/31/20, 54,474,211 and a closing price of \$2.18 as of 12/31/19, 54,474,211 and a closing price of \$2.59 as of 9/30/19, 54,474,211 and a closing price of \$2.34 as of 6/30/19 and 54,474,211 and a closing price of \$3.11 as of 3/31/19 and 54,474,211.
- Reflects the high and low closing share price during the periods ended 3/31/20, 12/31/19, 9/30/19, 6/30/19 and 3/31/19.
- Based on income bearing investments, which represent 64.7% of the entire portfolio and includes First Lien Term Loans, Second Lien Term Loans, Preferred Equity investments with a coupon and MCC SLS JV I LLC. The remaining 35.3% of the portfolio consists of investments currently on non-accrual and non-interest bearing equity investments. Investments do not include \$61.1 million of cash and cash equivalents.

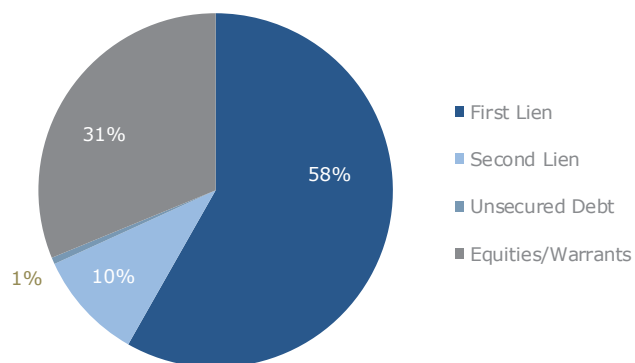
Balance Sheet

As of
(dollars in thousands, except per share data)

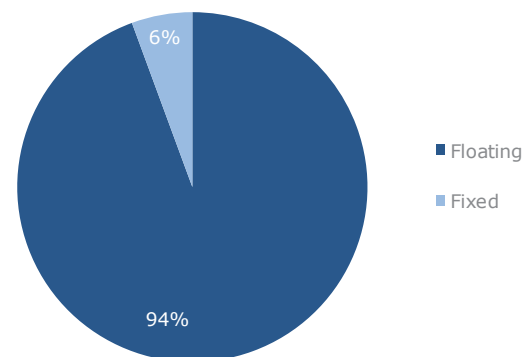
	3/31/20	12/31/19	9/30/19	6/30/19	3/31/19
	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)
ASSETS					
Investments at fair value					
Non-controlled/non-affiliated investments	\$ 112,666	\$ 138,892	\$ 189,895	\$ 229,402	\$ 351,330
Affiliated investments	82,277	108,581	99,540	122,953	118,216
Controlled investments	60,953	94,531	107,454	123,424	142,954
Total investments at fair value	255,896	342,004	396,889	475,779	612,500
Cash and cash equivalents	61,104	81,737	68,245	49,444	73,407
Restricted Cash	-	-	16,039	-	-
Interest receivable	489	1,221	1,592	3,448	5,779
Receivable for dispositions and investments sold	12	632	419	261	512
Other assets	1,011	6,189	3,083	4,767	3,335
TOTAL ASSETS	\$ 318,512	\$ 431,783	\$ 486,267	\$ 533,699	\$ 695,533
LIABILITIES					
Notes payable	\$ 171,173	\$ 204,463	\$ 251,732	\$ 265,719	\$ 265,156
SBA debentures payable	-	-	-	-	133,119
Management and incentive fees payable	1,641	2,008	2,231	2,689	3,084
Interest and fees payable	802	802	2,905	4,368	3,008
Accounts payable, accrued expenses and other liabilities	3,154	3,908	12,966	12,843	12,845
TOTAL LIABILITIES	\$ 176,770	\$ 211,181	\$ 269,834	\$ 285,619	\$ 417,212
NET ASSETS					
Common stock, par value \$.001 per share, 100,000,000 common shares authorized, 54,474,211 common shares issued and outstanding as of March 31, 2020	\$ 54	\$ 54	\$ 54	\$ 54	\$ 54
Capital in excess of par value	673,533	673,533	673,533	698,587	698,587
Total distributable earnings/(loss)	(531,845)	(452,985)	(457,154)	(450,561)	(420,320)
Total net assets	141,742	220,602	216,433	248,080	278,321
TOTAL LIABILITIES AND NET ASSETS	\$ 318,512	\$ 431,783	\$ 486,267	\$ 533,699	\$ 695,533
NET ASSET VALUE PER SHARE	\$ 2.60	\$ 4.05	\$ 3.97	\$ 4.55	\$ 5.11

Diversified Senior Secured Floating Rate Portfolio

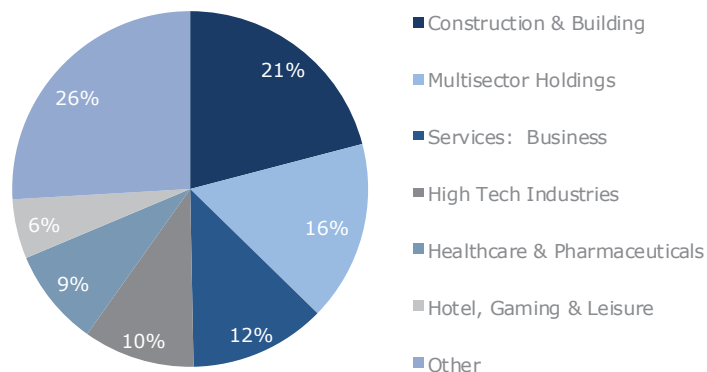
Investment Type¹



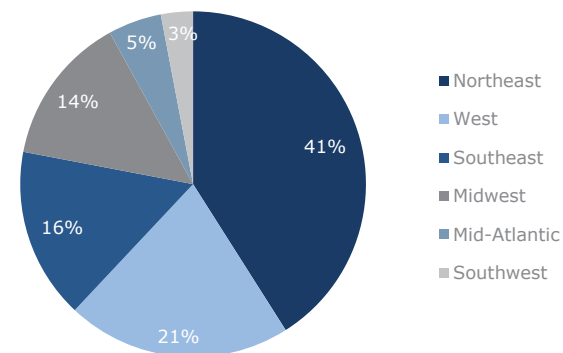
Floating vs Fixed Rate²



Industry³



Geography



Note: Portfolio data as of 3/31/20 based on fair market value. Numbers may not foot due to rounding. Past performance is not indicative of future results.

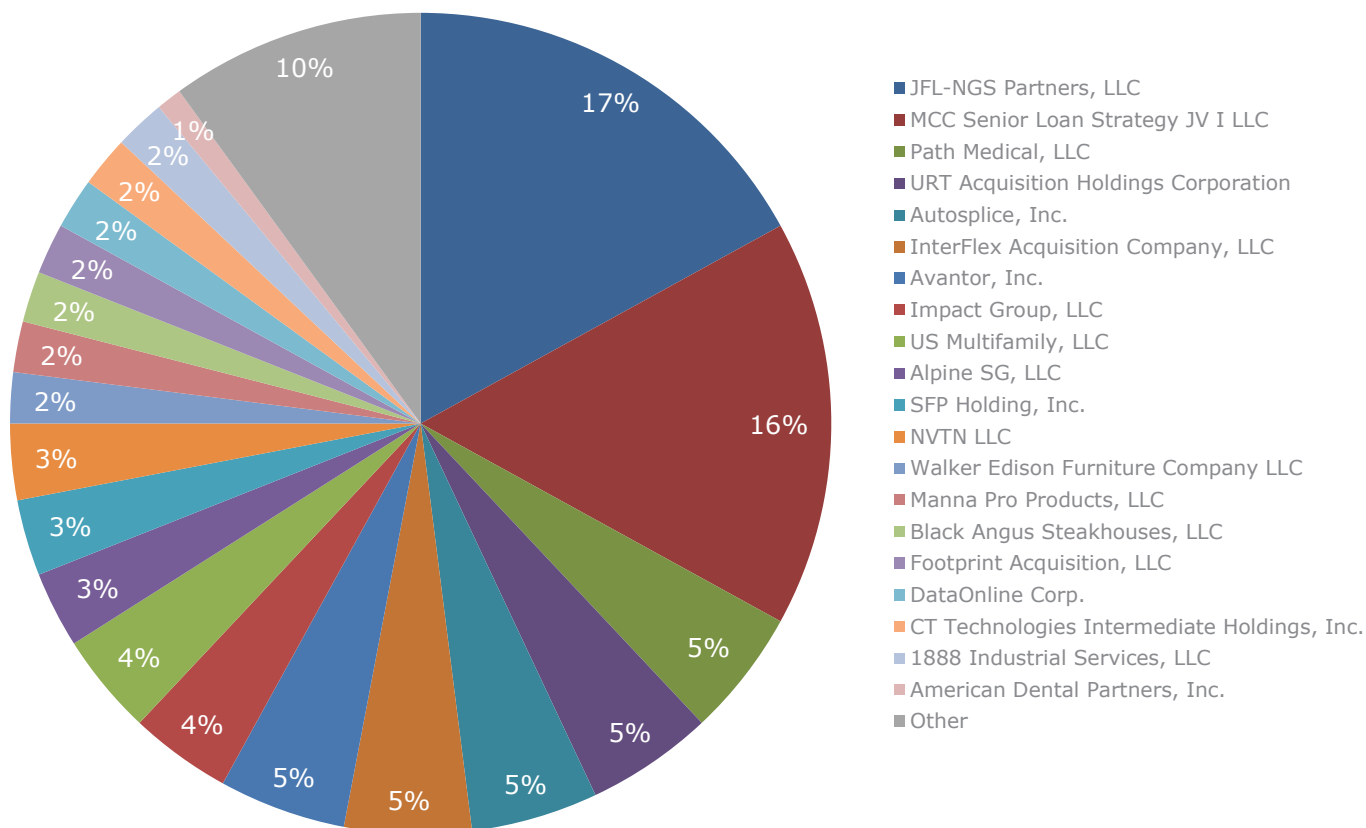
1. MCC SLS JV equity is categorized as First Lien. The MCC SLS portfolio is comprised of 100% first lien loans, based on fair market value.

2. Based on income bearing investments; excludes preferred and common equity.

3. Other category includes any industry with less than 5% portfolio concentration; "Other" consists of 11 different industries.

Portfolio by Issuer

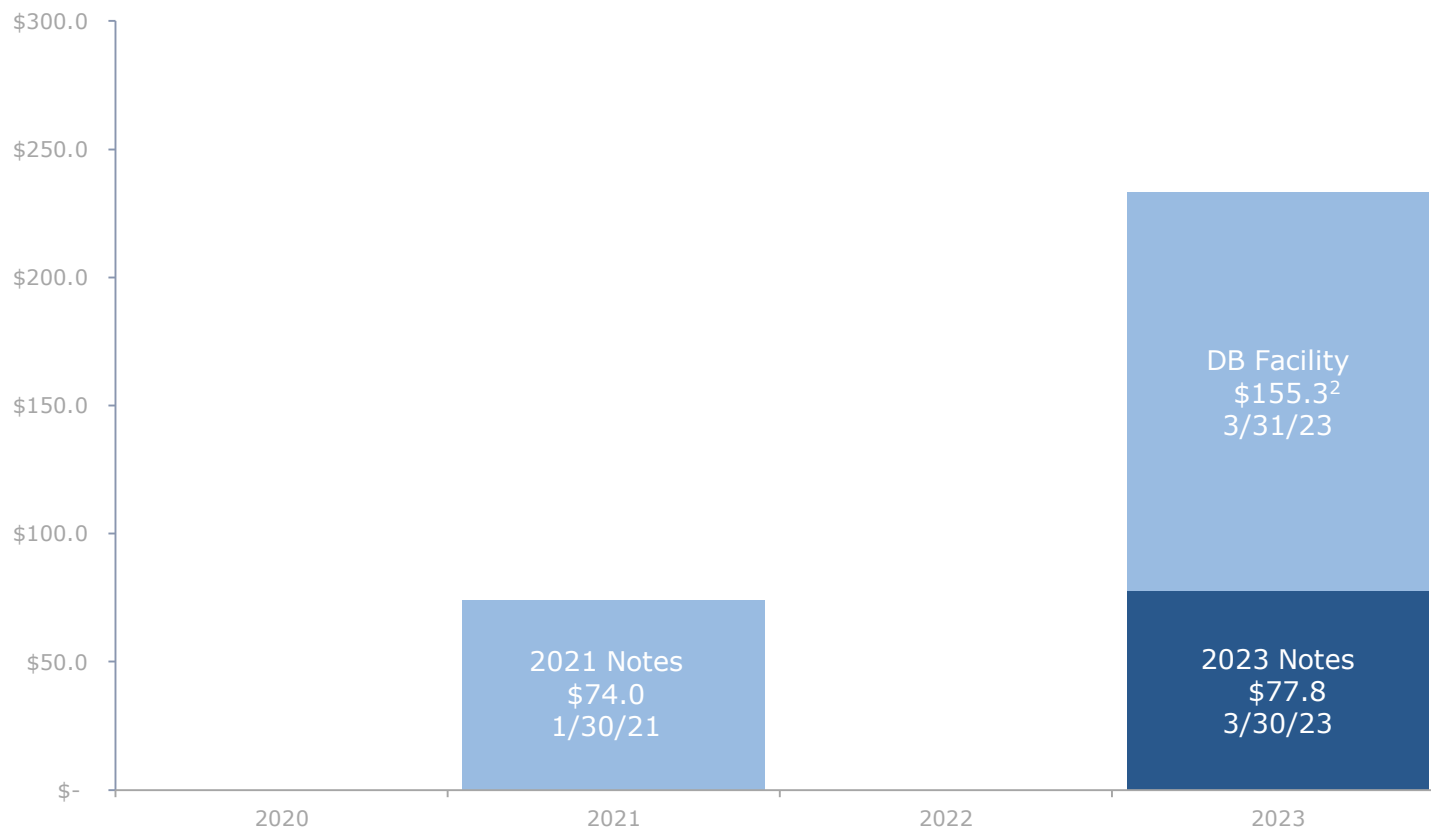
Top 20 Investments: 90%



Note: Portfolio includes 44 total issuers; the 10% of Portfolio Issuer Concentration represents 24 MCC borrowers.

Debt Maturity Profile¹

(Dollars in millions)



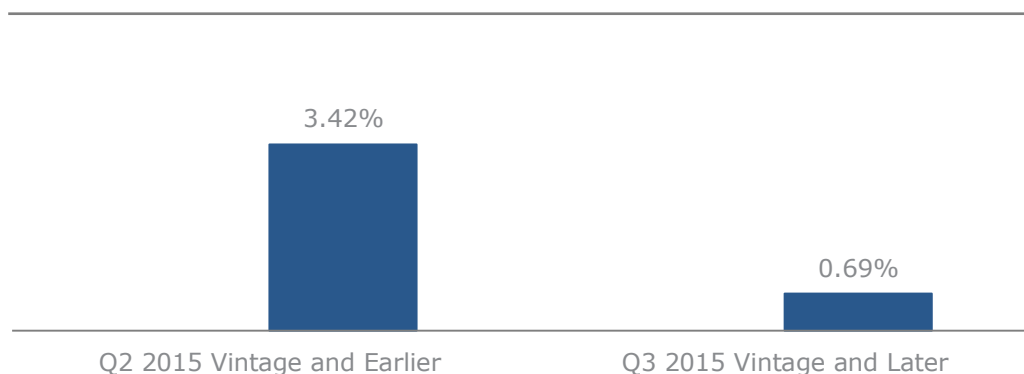
Source: Company Financials.

1. Balances are as of 5/11/20 and reflect full paydown of the Israeli Notes on 4/14/20 and paydowns to the DB facility of \$14.0 million on 4/23/20 and \$10.0 million on 5/11/20.
 2. Facility is maintained at MCC Senior Loan Strategy JV I LLC and is not consolidated for GAAP financial reporting purposes.

MCC Investment Strategy Shift

- **Beginning in 2015, the Medley lending platform shifted its focus to first lien loans provided to larger, sponsor backed borrowers**
 - New investments post Q2 2015 have experienced 0.69% of annualized realized and unrealized losses^{1,2}
 - Two non-accruals out of 42 borrowers' loans originated since the beginning of 2015

MCC Annualized Realized & Unrealized Loss Rate^{1,2}



Source: Management

Note: Portfolio data as of March 31, 2020. Past performance is not indicative of future results. For information about past performance prior to 2015 and since inception, see the public filings for MCC.

1. Annualized loss utilizes the loss for each realized and unrealized investment over total capital invested during the life of the investment. Unrealized investments in 2016, 2017, 2018 and 2019 assume the weighted average life of realized investments in the portfolio, which has historically been approximately 4 years. The terminal value for unrealized investments is the fair market value as of March 31, 2020.

2. Includes MCC SLS assets on a consolidated basis.

Corporate Information

Board of Directors

BROOK TAUBE
Chairman & Chief Executive Officer

SETH TAUBE
Director

JEFF TONKEL
Director

ARTHUR AINSBERG
Independent Director

KARIN HIRTLE-GARVEY
Independent Director

DAVID A. LORBER
Independent Director

LOWELL W. ROBINSON
Independent Director

Corporate Officers

BROOK TAUBE
Chairman & Chief Executive Officer

RICHARD T. ALLORTO, JR.
Chief Financial Officer & Secretary

JOHN FREDERICKS
Chief Compliance Officer

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Head of Capital Markets & Risk
Management
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Washington, DC

Independent Registered Public Accounting Firm

ERNST & YOUNG, LLP
New York, NY

Securities Listing

NYSE: MCC (Common Stock)
MCX (Senior Notes Due 2021)
MCV (Senior Notes Due 2023)
TASE: MCC (Common Stock)
MCC.B1 (Series A Israeli Notes)

Transfer Agent

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