

Medley Capital Corporation (NYSE: MCC)

Wells Fargo Middle Market Leadership Presentation

November 17, 2015

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Medley Overview

Who we are

- Asset manager offering yield solutions to institutional and retail investors
- Credit-focused firm with national direct origination platform
- Principals in their 13th year of investing in middle market credit as a team

What we do

- Lend directly to middle market companies in the United States
- Focus on directly originated senior secured lending
- Deliver current income solutions to investors

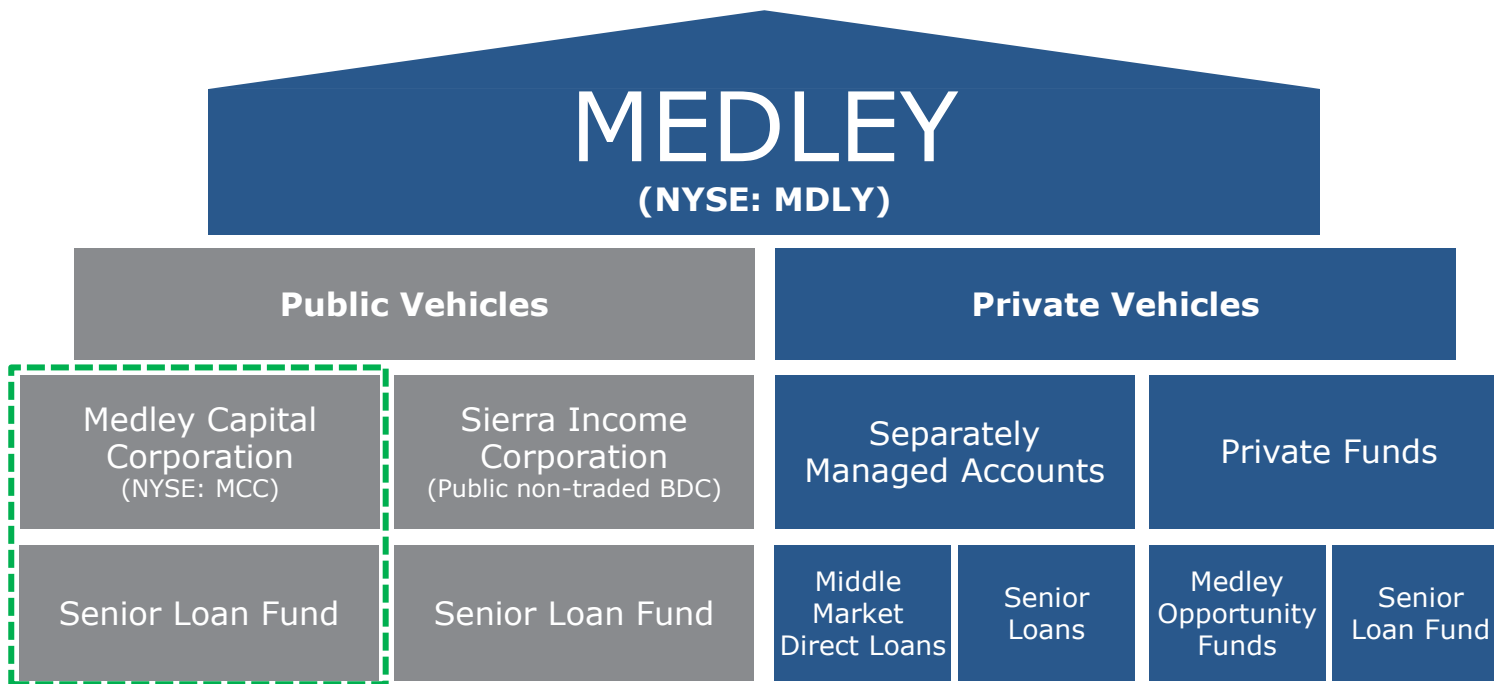
How we do it

- Disciplined origination, underwriting and active asset management process
- Experienced team of over 80 professionals¹
- Over \$4.5 billion of assets under management¹

1. As of November 11, 2015.

Medley's Platform

- Medley is a CREDIT-FOCUSED direct lender to the middle market



CLIENTS INCLUDE:

- › Pension Funds
- › Insurance Companies
- › Endowments
- › Foundations
- › Public Equity Funds
- › Private Wealth
- › Broker Dealers
- › RIAs

Origination Platform

Robust Direct Origination Capabilities

Direct

- Calling effort on companies, management teams and non-Wall Street intermediaries
- Regional accounting firms, law firms and business brokers

Sponsored

- Active dialogue with over 200 sponsors
- Closed over 100 investments in this channel

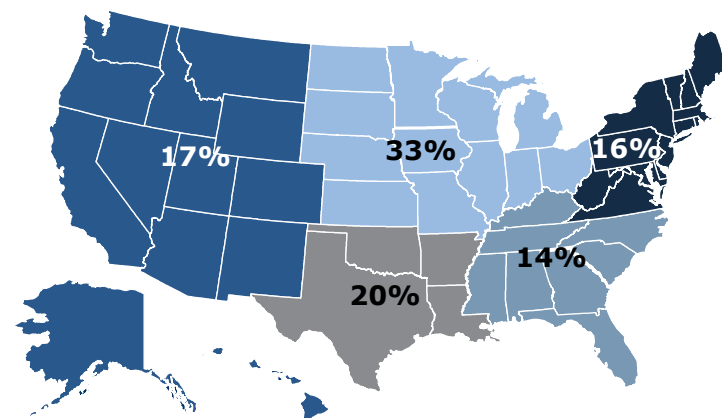
Capital markets

- Select activity in broadly syndicated markets

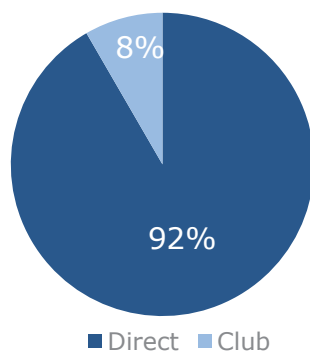
Local Market Relationships

- Over 40 investment professionals in New York and San Francisco, all focused on sourcing for Medley
- Broad network of contacts in financial services and related industries
- Origination efforts produce over 1,400 potential investment opportunities annually

Medley Investments By Geography



Deal Flow By Source



Key Initiatives to Drive Shareholder Value at MCC

1. Completing \$30MM share repurchase program
2. Amended credit facility to extend maturity, improve pricing and increase flexibility for share repurchase
3. Formed SLS JV, commenced investing and secured attractive financing
4. Resolving non-accruals and watch list credits
5. Received investment grade ratings from Kroll and Eagan Jones
6. Continued focus on a diversified portfolio of senior secured loans
7. Increasing allocation to floating rate loans (currently 77%), with plan to increase fixed rate liabilities (currently 40%)

Reasons to Invest in Medley Capital

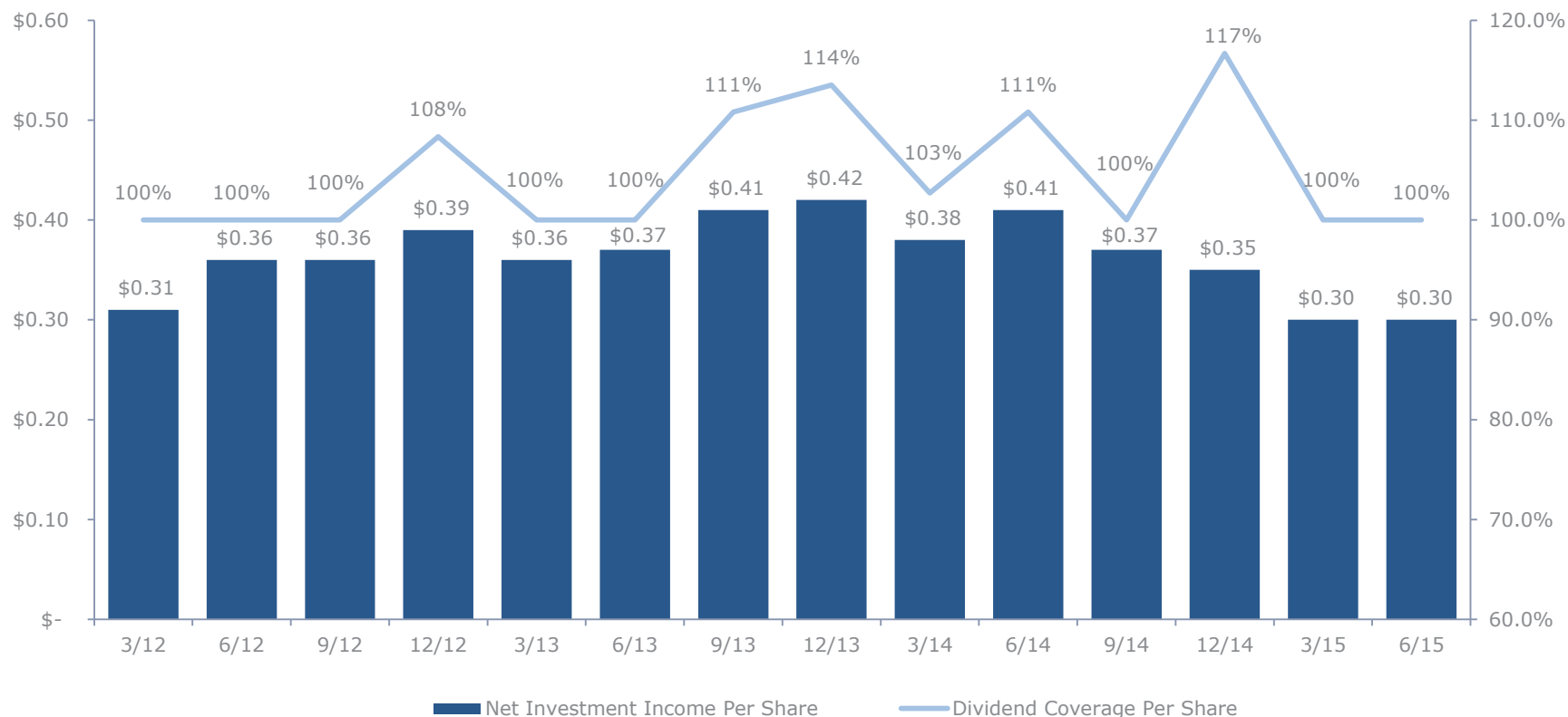
1. Announced \$0.30 dividend on November 5th
2. Dividend of \$1.20 annualized that is covered by portfolio cash flow
3. Dividend yields over 10% on current NAV and over 15% on the current share price
4. Portfolio with higher concentration in senior secured loans versus many peers¹
5. Disciplined origination, underwriting and active asset management process, with agent or control position in the majority of loans
6. Proven management team and growing platform

1. Peers include: AINV, ARCC, FSC, FSIC, GBDC, NMFC, PNNT, PSEC, TCPC, TCRD, TSLX

Historical NII and Dividend Coverage per Share

- MCC remains focused on covering the dividend with net investment income
- Announced \$0.30 dividend per share on November 5th

Historical Net Investment Income and Dividend Coverage per Share

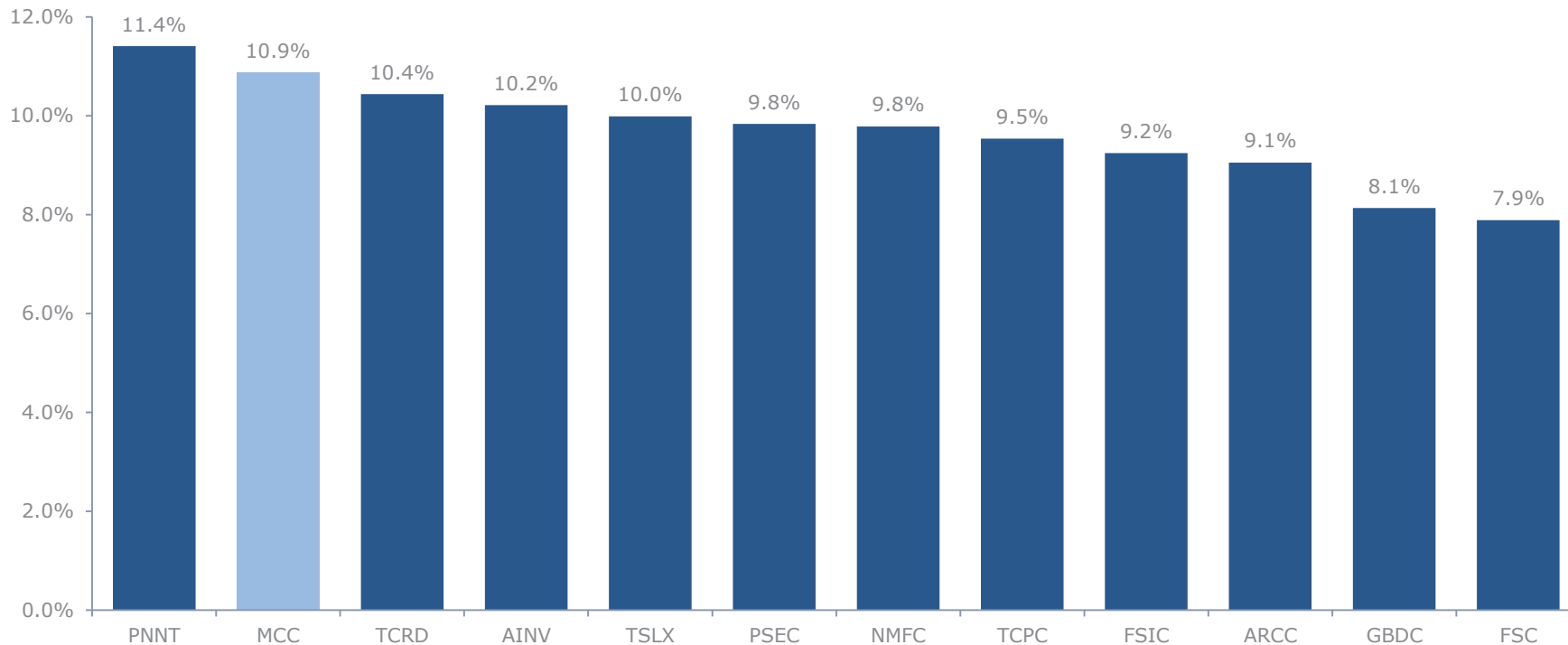


Note: Financial data as of 6/30/2015.

Strong Relative Dividend On NAV Per Share

- MCC's dividend provides an attractive return on NAV for investors

Current Annualized Dividend Yield On NAV Per Share ¹



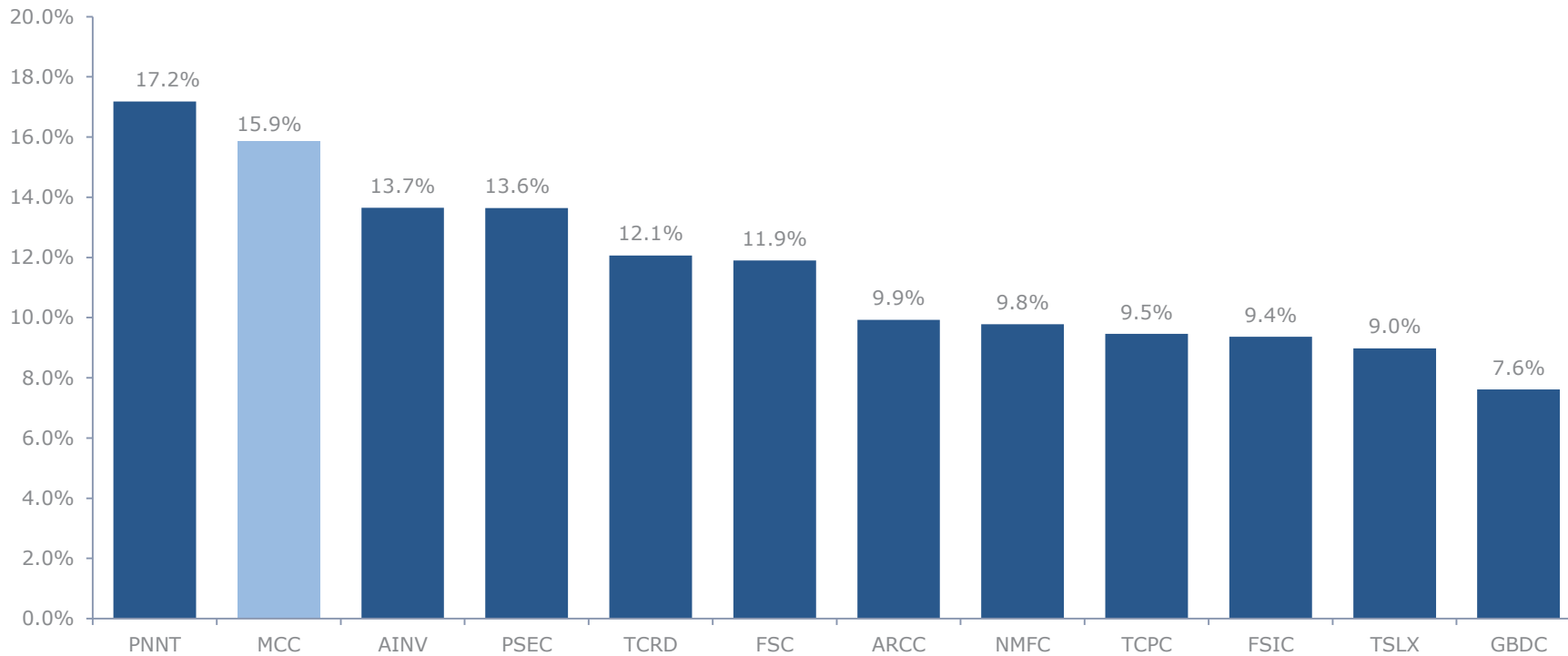
Note: Financial data as of 9/30/2015, except for MCC, GBDC, and FSC which is as of 6/30/2015.

1. Dividend yields based upon the most recently declared dividend, annualized.

Strong Relative Dividend On Current Share Price

- MCC's dividend provides an attractive current yield for investors compared to our BDC peers

Current Annualized Dividend Yield On Current Share Price¹

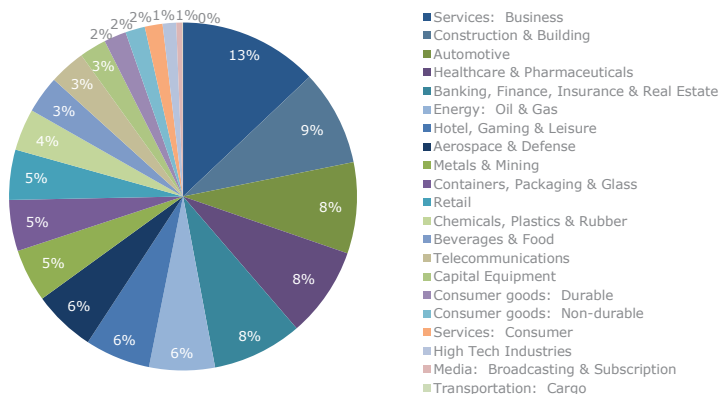


1. Dividend yields based upon the most recently declared dividend, annualized to reflect the closing share price as of 11/11/2015.

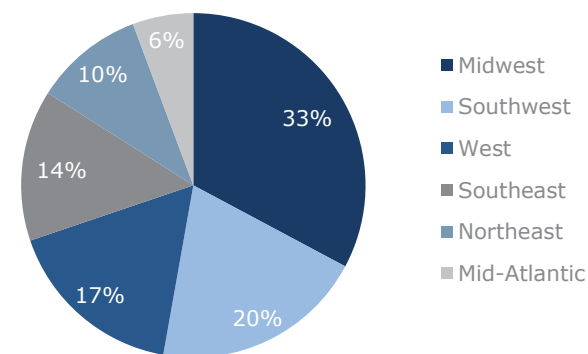
Diversified, Senior Secured, Floating Rate Portfolio

- MCC has a diversified portfolio of 71 companies

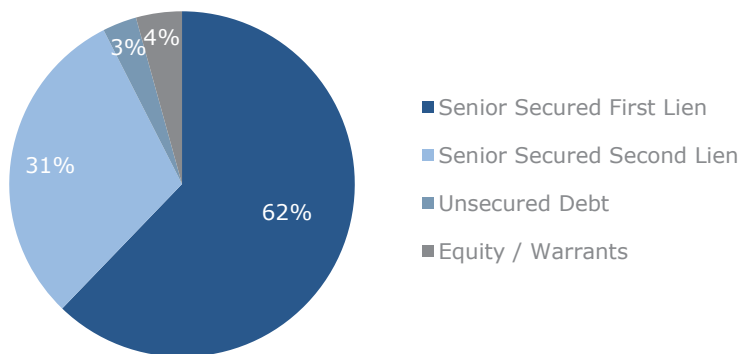
Industry



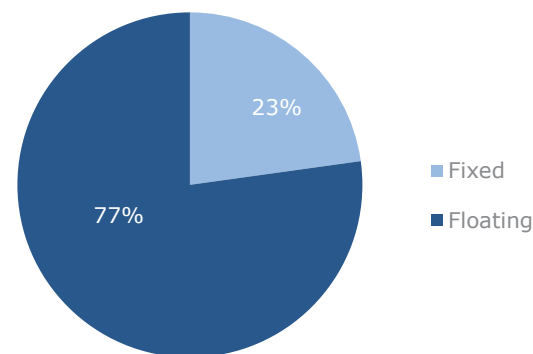
Geography¹



Investment Type

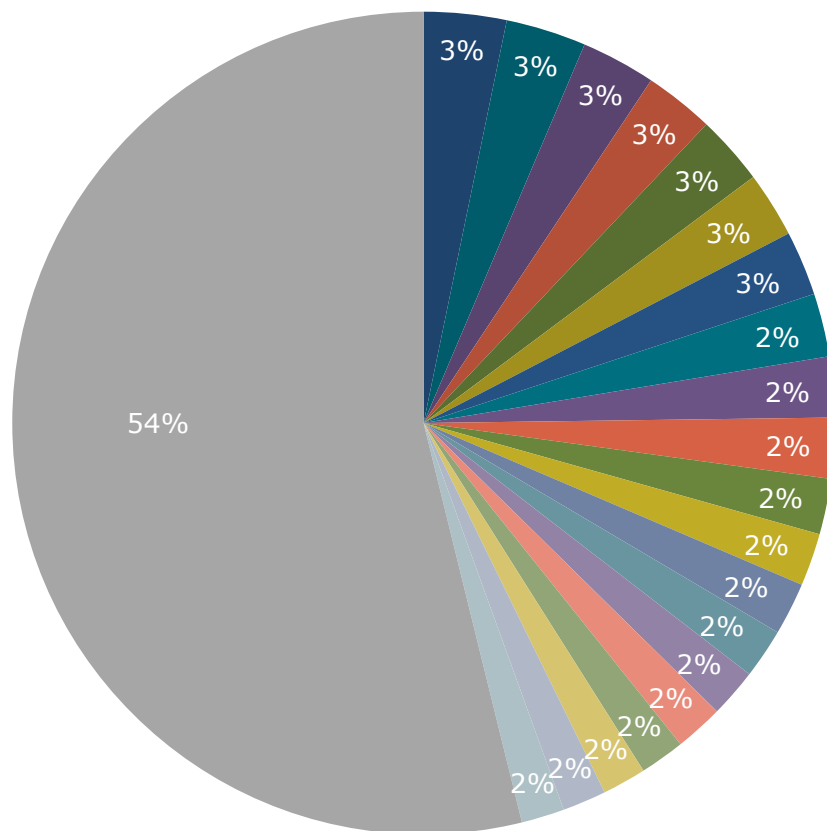


Floating vs Fixed Rate



Note: Portfolio data as of 6/30/2015 based on fair market value.
1. MCC does not have exposure to international investments.

Portfolio by Issuer



Top 20 Investments: 46%

- DHISCO Electronic Distribution, Inc.
- United Road Towing Inc
- Nation Safe Drivers Holdings, Inc.
- Accupac, Inc.
- Response Team Holdings LLC
- Merchant Cash and Capital LLC
- Harrison Gypsum LLC
- AAR Intermediate Holdings LLC
- Seotowncenter, Inc.
- RCS Management
- Red Skye Wireless LLC
- Nielsen & Bainbridge LLC
- Omnivere LLC
- DLR Restaurants LLC
- NCM Group Holdings LLC
- JD Norman Industries, Inc.
- The Plastics Group Acquisition Corp
- Capstone Nutrition
- Velocity Pooling Vehicle, LLC
- Jordan Reses Supply Company LLC
- Other

Note: Portfolio includes 71 total issuers; the 54% of Portfolio Issuer Concentration represents 51 MCC borrowers. As of June 30, 2015.

Well Positioned for a Rising Rate Environment

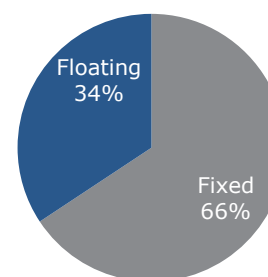
- MCC is well positioned for a rising interest rate environment
- 77% of the portfolio is floating rate
- 40% of liabilities are fixed rate
- Favorable asset & liability mix
 - The weighted average maturity of assets is 3.0 years
 - The weighted average maturity of liabilities is 6.2 years

| Basis Point Change | Interest Income Change | Interest Expense Change | NII Change | % NII Change |
|--------------------|------------------------|-------------------------|------------|--------------|
| 100 | \$2,600 | \$4,800 | \$(2,200) | -3.8% |
| 200 | 10,000 | 9,700 | 300 | 0.5% |
| 300 | 18,700 | 14,500 | 4,200 | 7.3% |
| 400 | 27,300 | 19,300 | 8,000 | 13.9% |
| 500 | 36,000 | 24,200 | 11,800 | 20.4% |

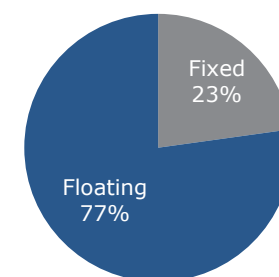
Note: Metrics in thousands of USD. Data as of 6/30/2015.

Assets

12/31/2011

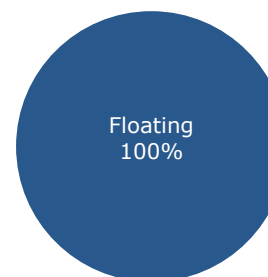


6/30/2015

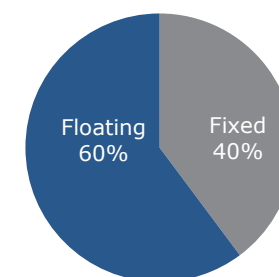


Liabilities

12/31/2011



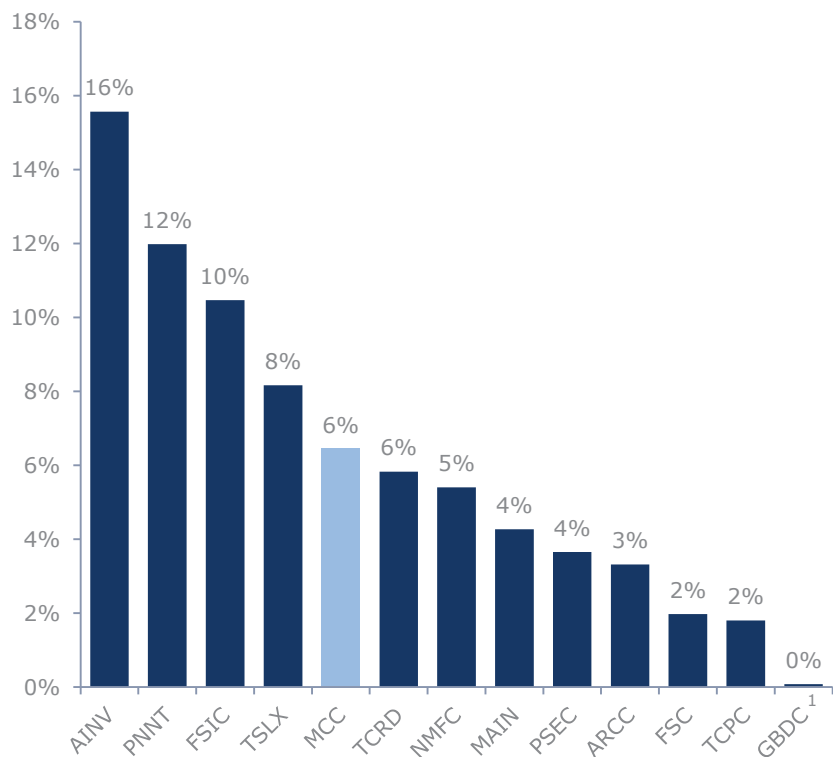
6/30/2015



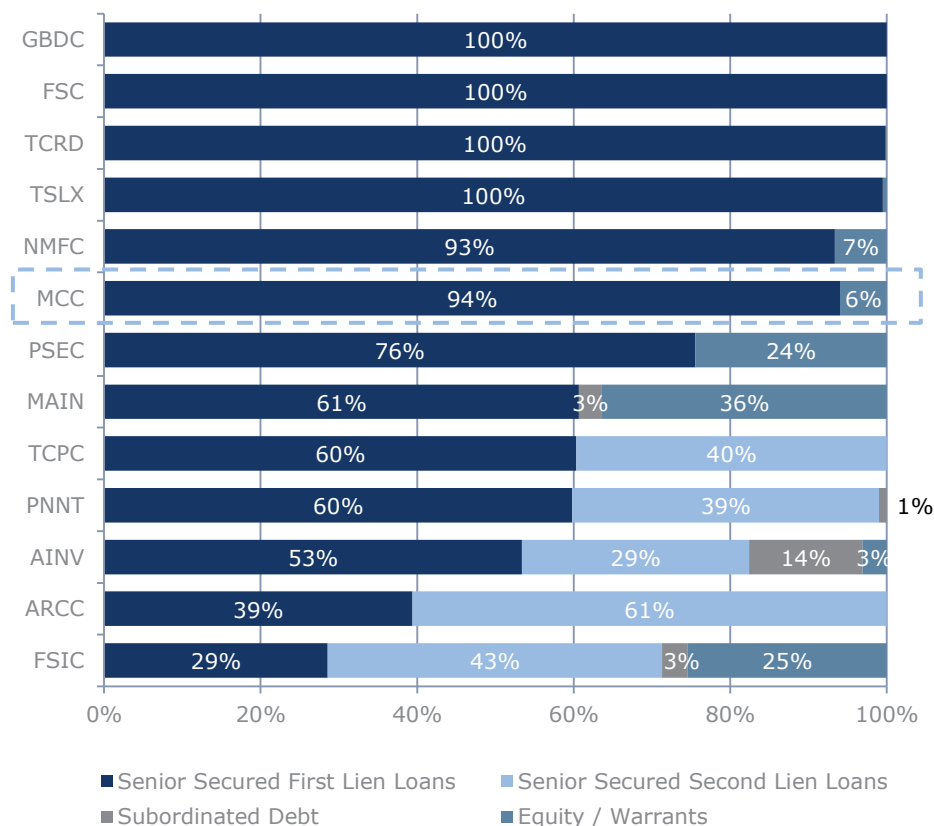
Oil & Gas Exposure

- MCC oil and gas exposure is in line with its BDC peers

Percentage of Portfolio in Energy



Energy Portfolio Assets by Security

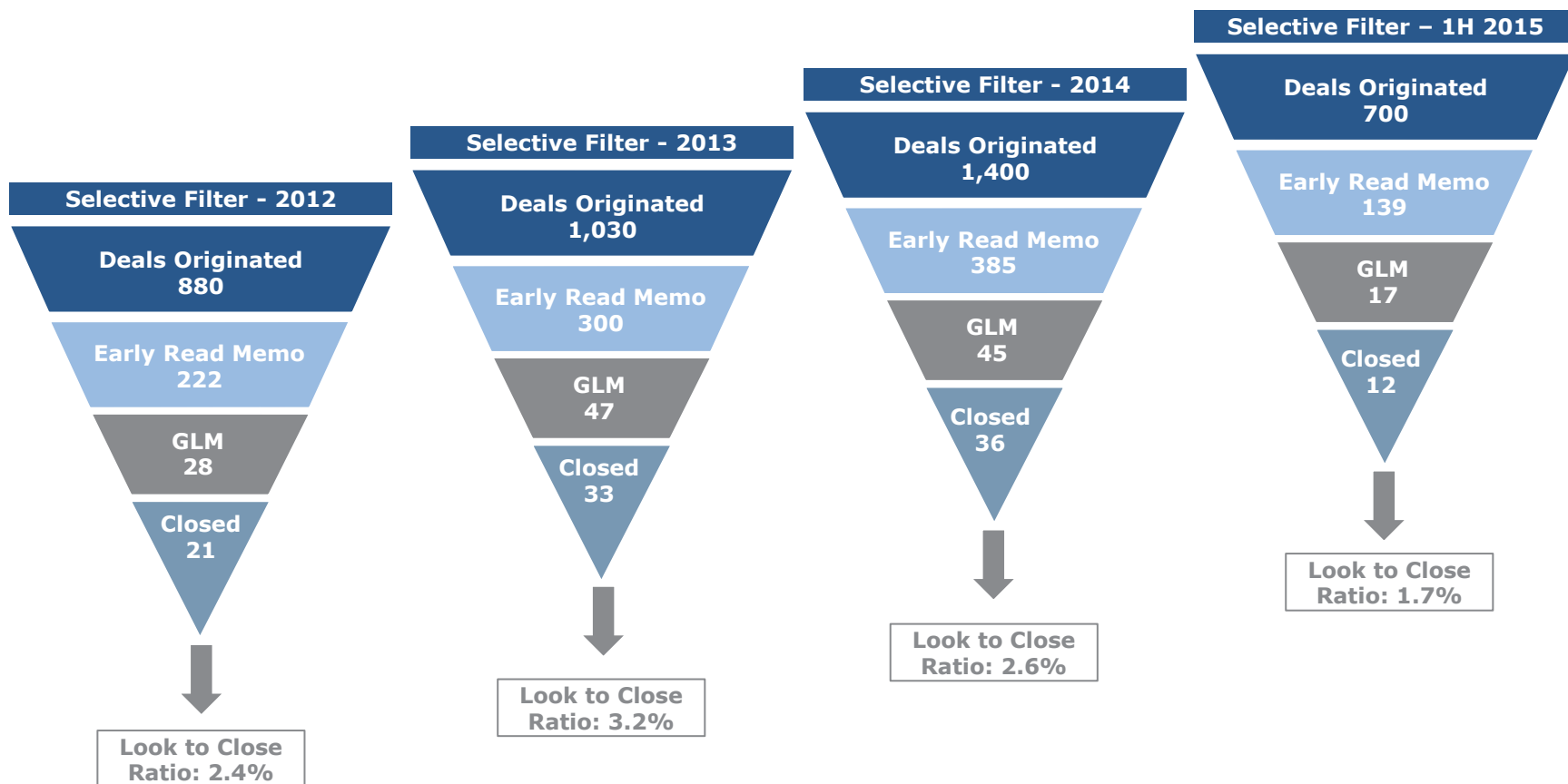


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1. GBDC has one position in the oil and gas vertical that represents 0.1% of its total portfolio.

Selective Underwriting Filters

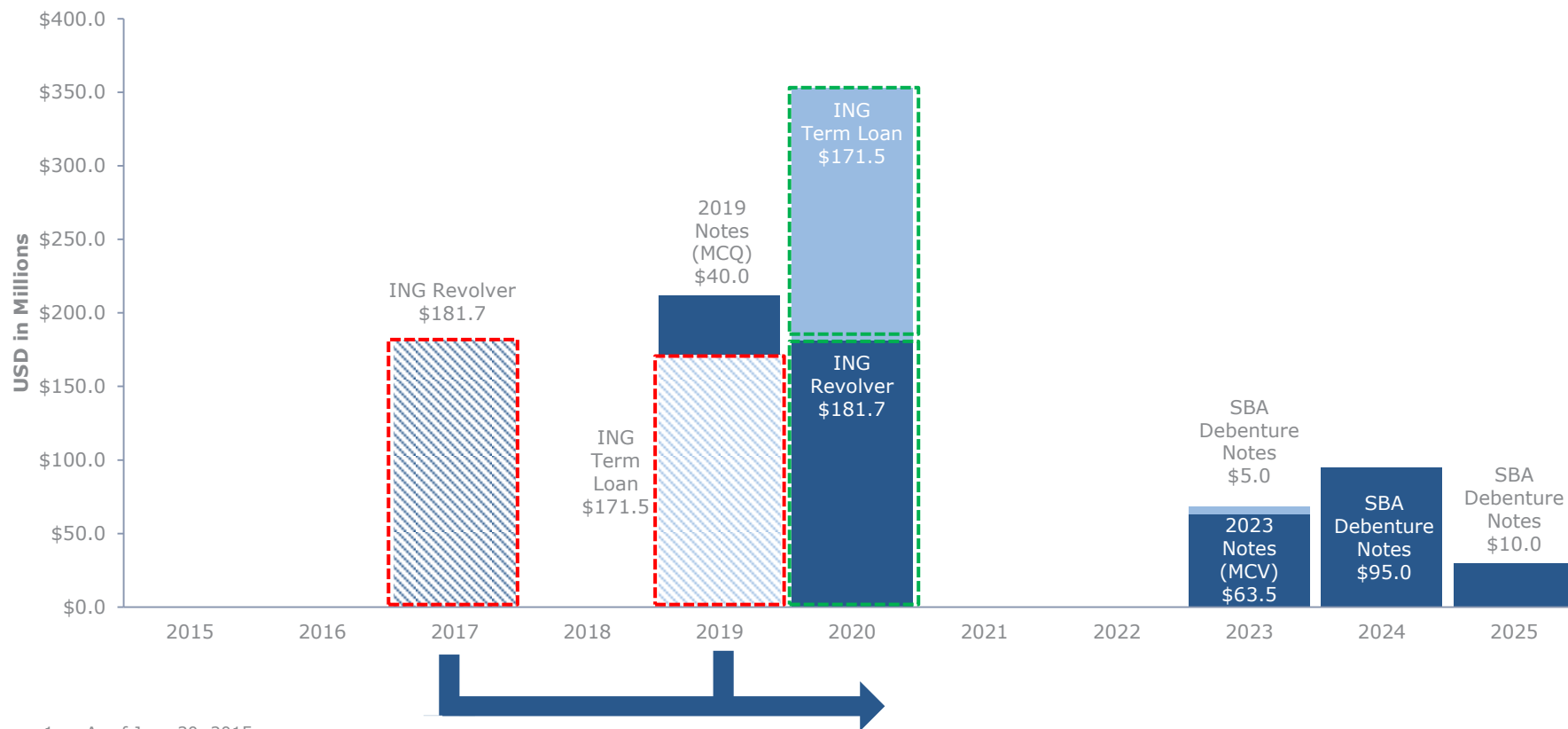
- Credit criteria has been consistent over time
- Close between 2-3% of deals originated, on average
- Consistent underwriting and covenant packages



Note: Closed denotes the total number of directly originated borrowers.

Debt Maturity Profile

- On 7/28/2015 MCC amended and extended its ING credit facility, extending the maturity on the (i) revolver from June 2017 to July 2019, followed by a one-year amortization period until final maturity in July 2020 and (ii) term loan from June 2019 to July 2020



1. As of June 30, 2015.

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