



Medley Capital Corporation (NYSE: MCC)

Investor Presentation

Quarter Ended June 30, 2018

Important Notice

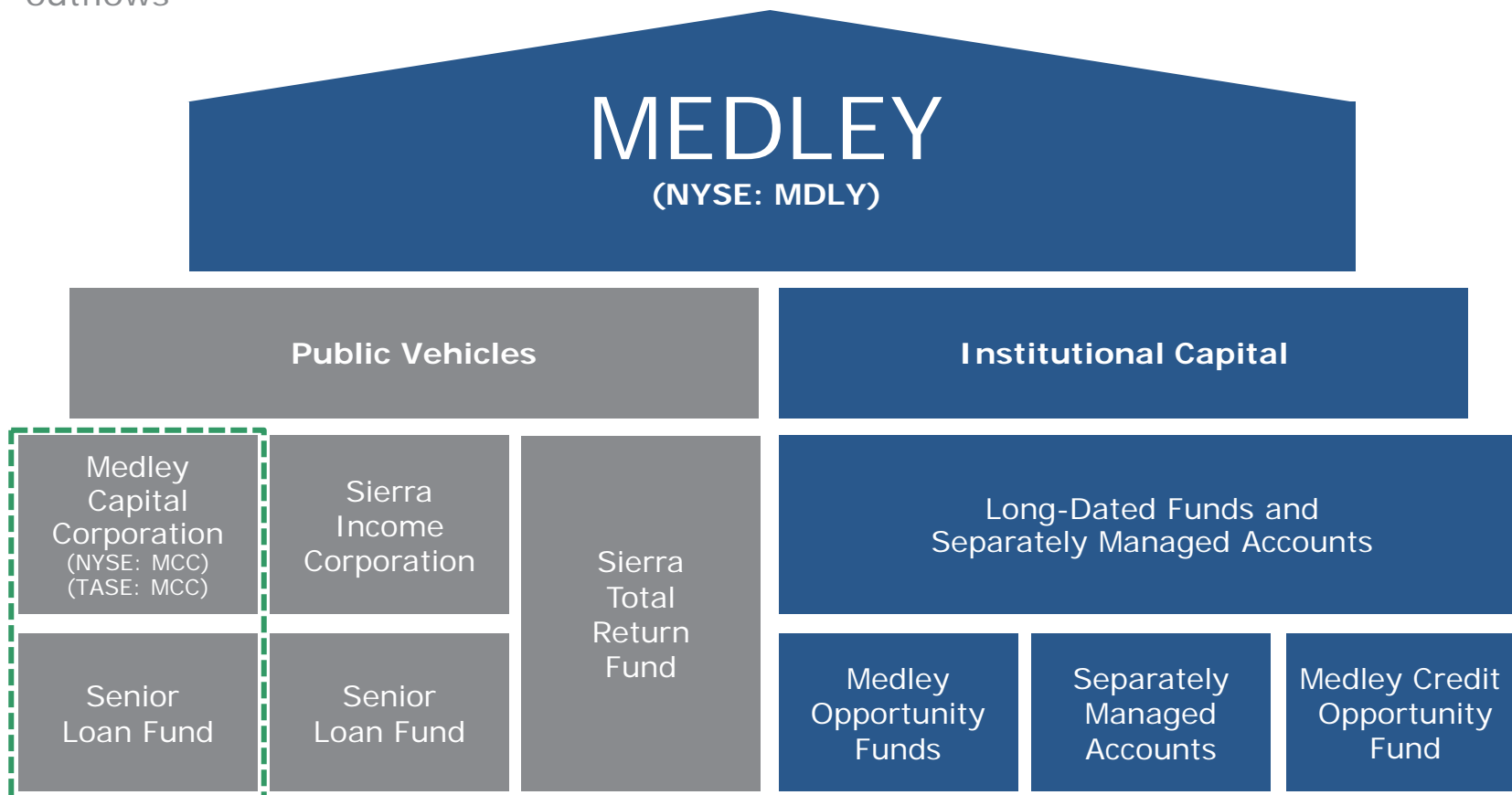
This presentation contains “forward looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, that are subject to risks and uncertainties. Actual outcomes and results could differ materially from those suggested by this presentation due to the impact of many factors beyond the control of Medley Capital Corporation, including those listed in the “Risk Factors” section of our filings with the Securities and Exchange Commission (“SEC”). Any statement other than a statement of historical fact may constitute a forward looking statement. Any such forward-looking statements are made pursuant to the safe harbor provisions available under applicable securities laws and Medley Capital Corporation assumes no obligation to update or revise any such forward-looking statements.

Certain information discussed in this presentation (including information relating to portfolio companies) was derived from third party sources and has not been independently verified and, accordingly, the Company makes no representation or warranty in respect of this information.

The following slides contain summaries of certain financial and statistical information about Medley Capital Corporation. The information contained in this presentation is summary information that is intended to be considered in the context of our SEC filings and other public announcements that we may make, by press release or otherwise, from time to time. We undertake no duty or obligation to publicly update or revise the information contained in this presentation. In addition, information related to past performance, while helpful as an evaluative tool, is not necessarily indicative of future results, the achievement of which cannot be assured. You should not view the past performance of Medley Capital Corporation, or information about the market, as indicative of Medley Capital Corporation’s future results. This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities of Medley Capital Corporation.

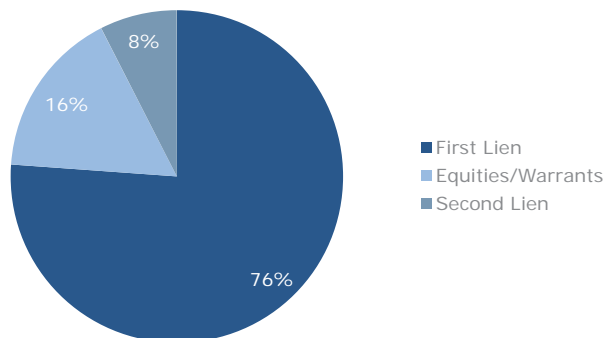
Diversified AUM Across Multiple Funds

- Broad distribution through public and private vehicles
- Permanent capital, long-dated funds and managed accounts not subject to traditional outflows

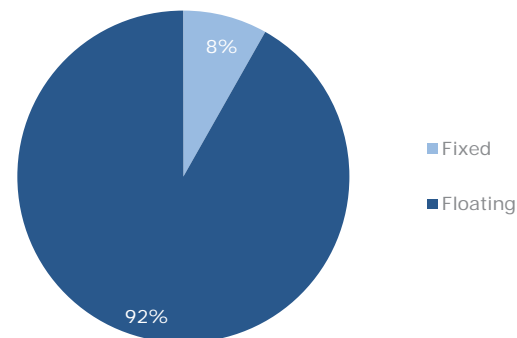


Diversified Senior Secured Floating Rate Portfolio

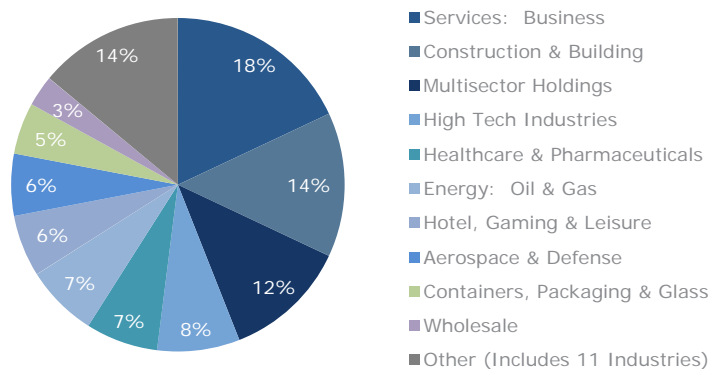
Investment Type¹



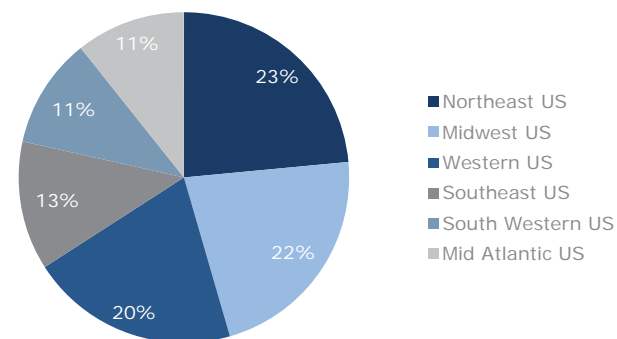
Floating vs Fixed Rate²



Industry



Geography



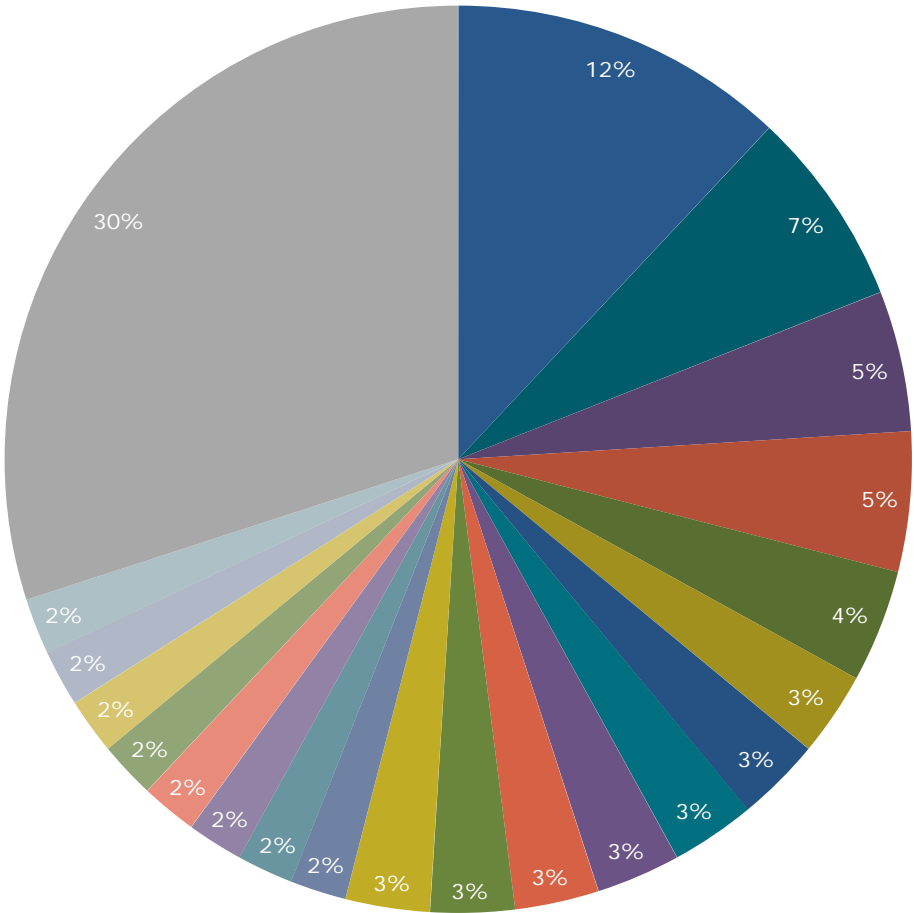
Note: Portfolio data as of 6/30/18 based on fair market value. Numbers may not foot due to rounding. Past performance is not indicative of future results.

1. MCC SLS JV equity is categorized as First Lien | Does not show 0.2% of unsecured due to rounding.

2. Based on income bearing investments; excludes equity investments.

Portfolio by Issuer

Top 20 Investments: 70%



- MCC Senior Loan Strategy JV I LLC
- NCM Group Holdings LLC
- United Road Towing Inc
- AAR Intermediate Holdings LLC
- NVTN LLC
- Northstar Aerospace, Inc.
- L & S Plumbing Partnership, Ltd.
- Alpine SG, LLC
- Capstone Nutrition
- Vail Holdco Corp
- Omnivere LLC
- 3SI Security Systems, Inc.
- Autosplice, Inc.
- RMS Holdings Company, LLC
- InterFlex Acquisition Company, LLC
- Crow Precision Components
- Oxford Mining Company LLC
- FKI Security Group LLC
- Freedom Powersports LLC
- US Multifamily, LLC
- Other

Note: Portfolio includes 62 total issuers; the 30% of Portfolio Issuer Concentration represents 42 MCC borrowers.

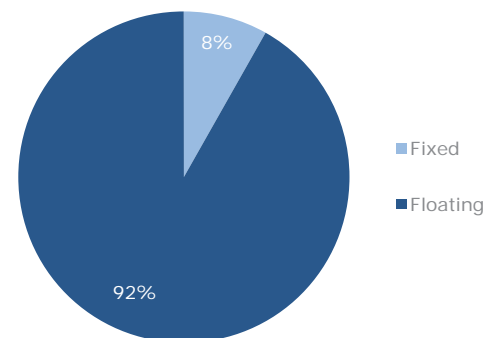
Well Positioned for a Rising Rate Environment

- MCC is well positioned for a rising interest rate environment
- 92%¹ of the portfolio is floating rate
- 99% 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 5.2 years

Basis Point Change	Interest Income Change	Interest Expense Change	NII Change
100	\$3,600	\$15	\$3,585
200	7,200	30	7,170
300	10,900	45	10,855

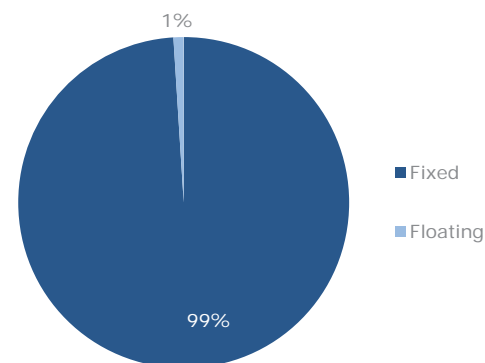
Assets

6/30/2018



Liabilities

6/30/2018

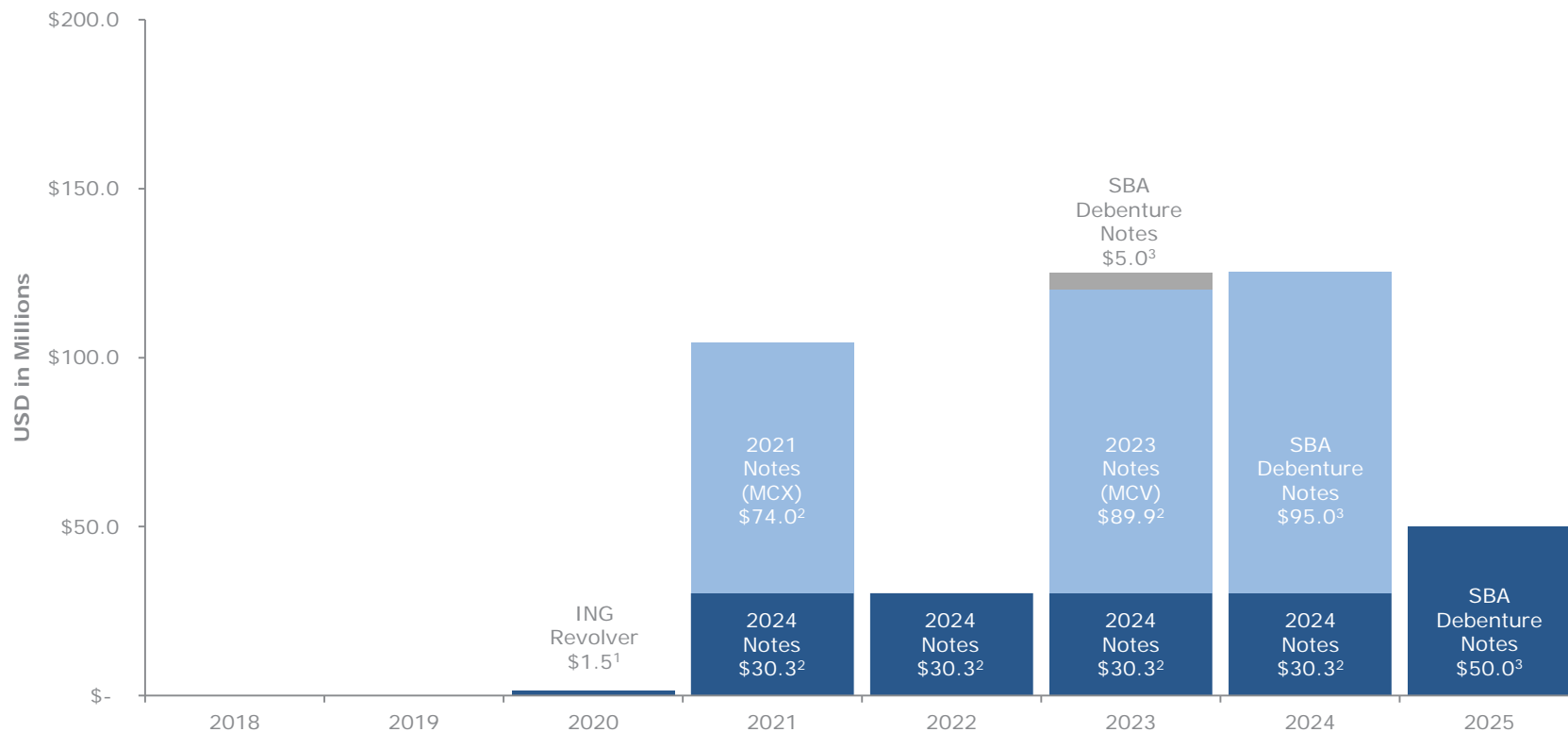


Note: Past performance is not indicative of future results.

1. Figure includes SLS JV portfolio positions and does not include equity investments.

Debt Maturity Profile

- MCC's liabilities are well diversified with a staggered debt maturity profile



Note: As of 6/30/2018.

- \$1.2 million aggregate difference in total Revolving Credit Facility from the balance sheet is a result of recently adopted debt issuance cost accounting standards.
- \$8.8 million aggregate difference in total Unsecured Notes from the balance sheet is a result of recently adopted debt issuance cost accounting standards.
- \$2.4 million aggregate difference in total SBA Debenture Notes from the balance sheet is a result of recently adopted debt issuance cost accounting standards.

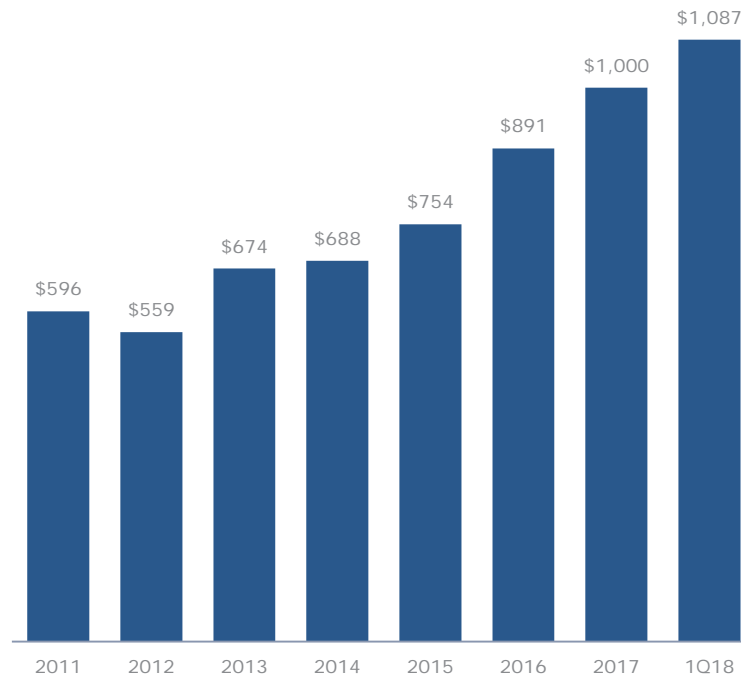
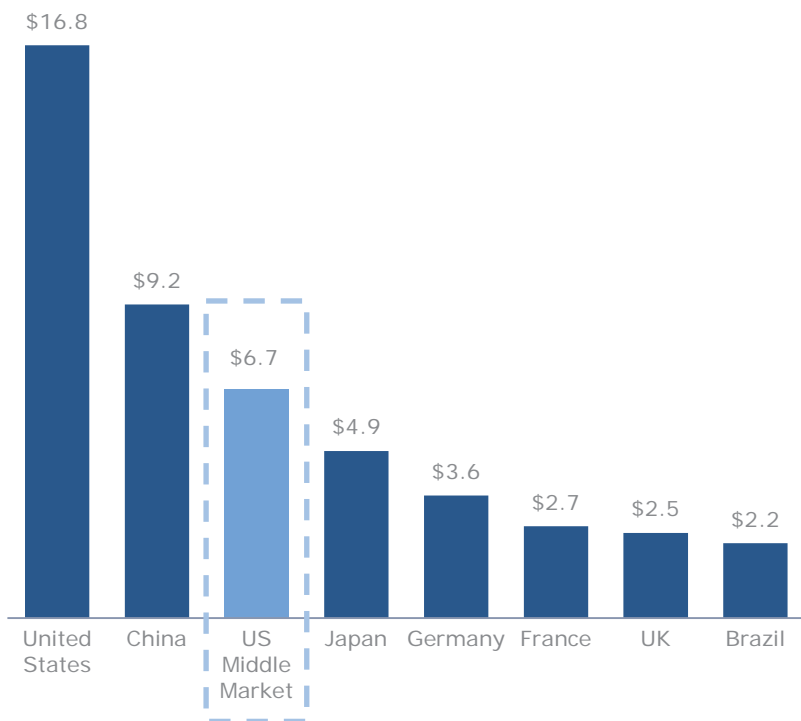
Attractive Industry Dynamics

The Opportunity – Large Target Market

- Standalone US middle market would rank as the 3rd largest global economy
- Private equity dry powder continues to be elevated at all-time highs

Top GDPs¹

Private Equity Dry Powder²

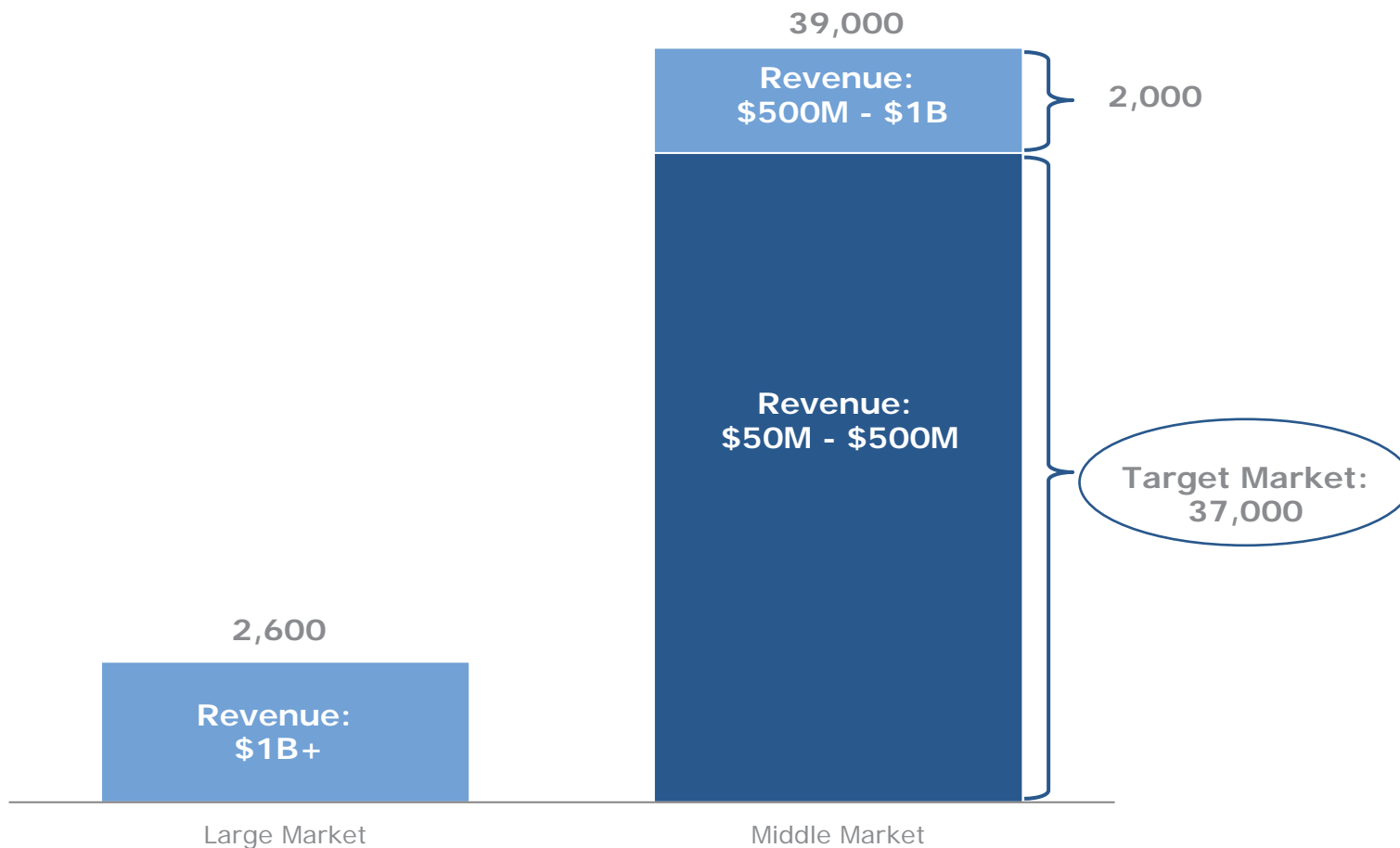


1. International Monetary Fund, World Economic Outlook Database, June 2014. Metrics in trillions of USD.

2. Preqin Private Equity Q1 2018 Quarterly Update. Metrics in billions of USD.

The Opportunity – Large Number of Borrowers

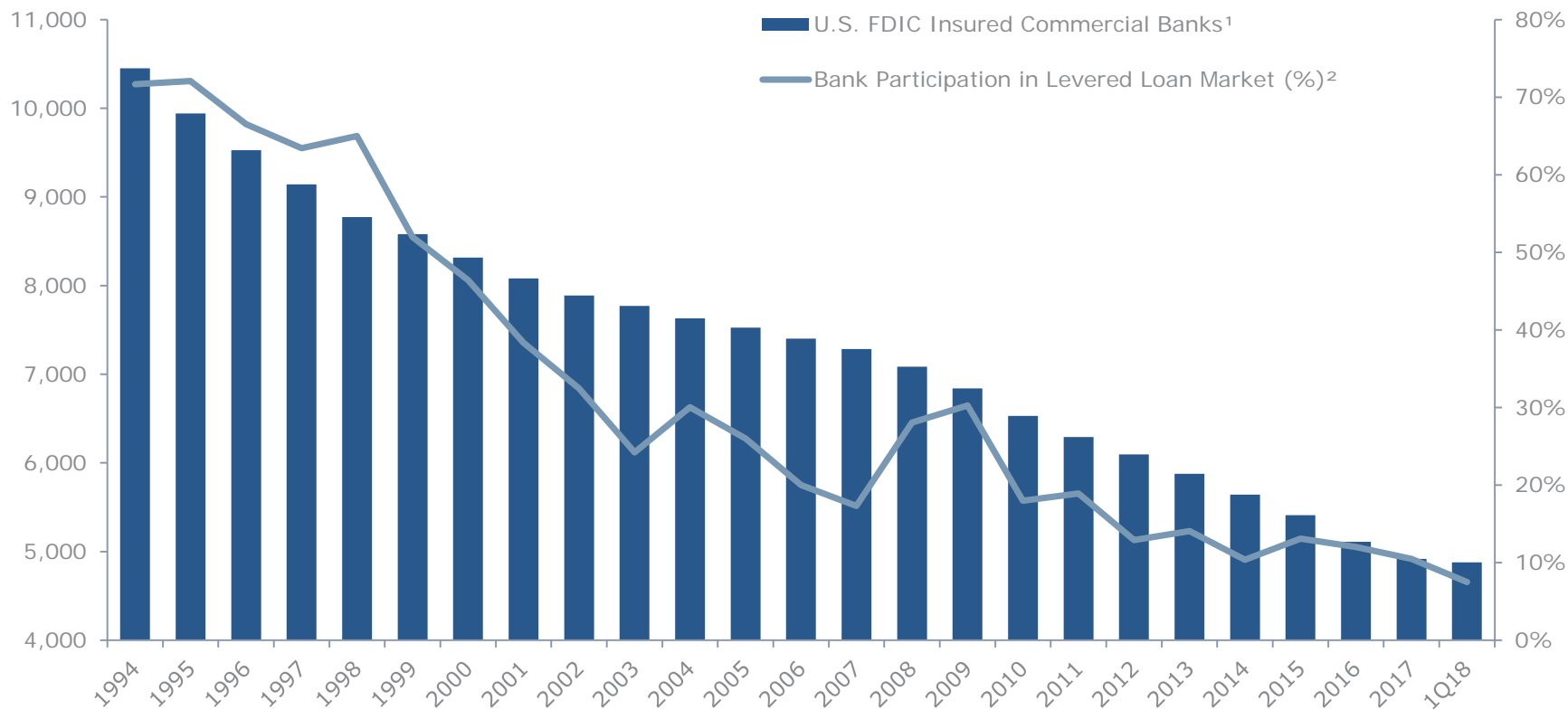
Number of Businesses by Market¹



1. U.S. Census Bureau, 2007 Economic Census.

The Opportunity – Bank Consolidation

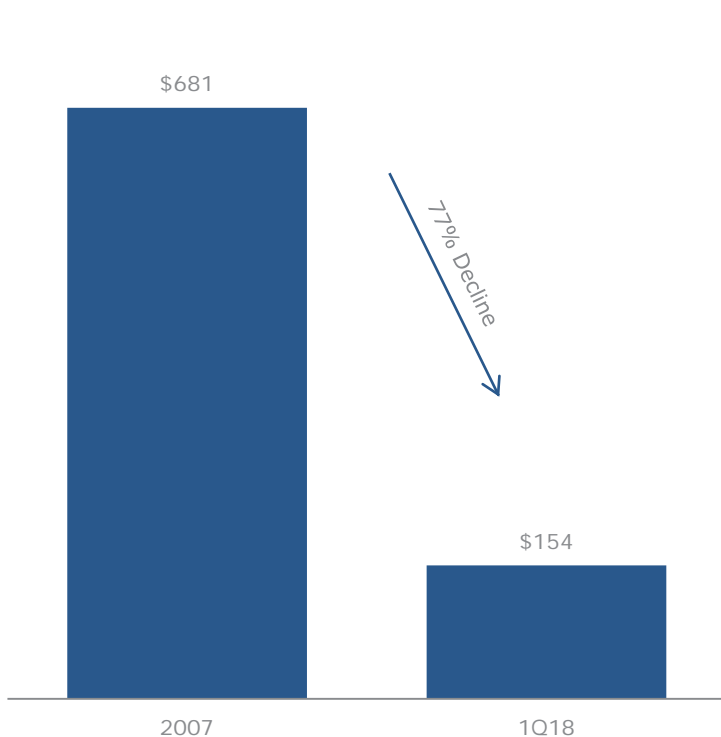
- Banks continue to shift toward large borrowers
- Regulatory environment is a headwind for banks in the middle-market



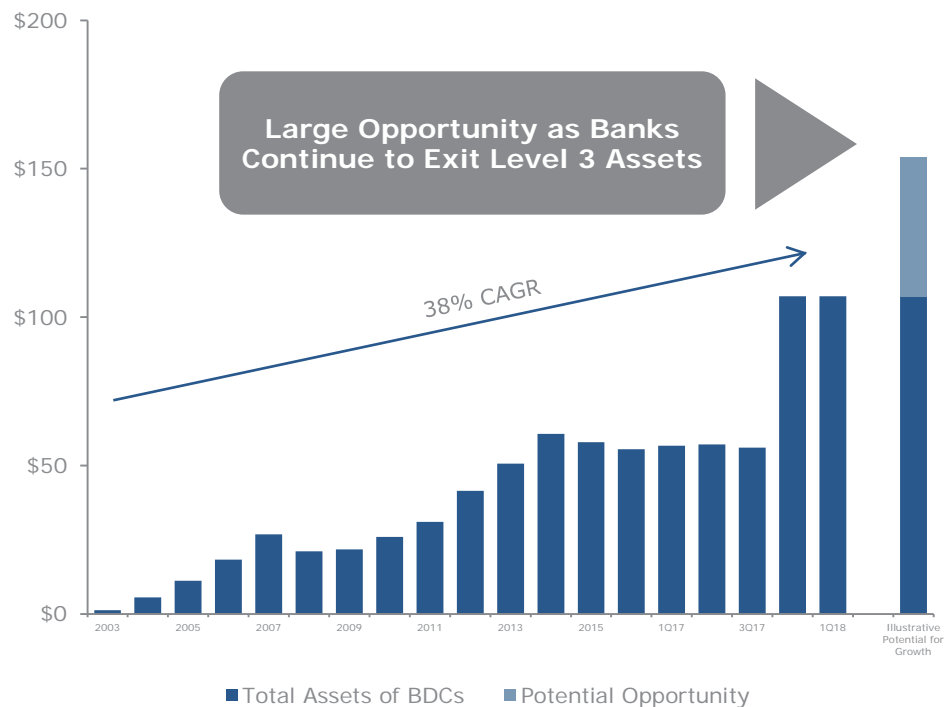
1. Federal Deposit Insurance Corporation, represents number of commercial banking institutions insured by the FDIC as of 3/31/2018.
 2. S&P LCD's Leveraged Lending Review – 1Q18.

Regulatory Pressure Continues for Banks

Level 3 Assets for Financial Firms¹



Total Assets of Publicly Traded BDCs²



1. Financial firms include: BAC, C, CS, DB, GS, JPM, MS and WFC. Metrics in billions of USD. Financial information as of 3/31/2018.
 2. BDCs include: ACAS, ACSF, AINV, ARCC, BKCC, CMFN, CPTA, FDUS, FSC, FSFR, FSIC, GAIN, GARS, GBDC, GLAD, GSVC, HCAP, HRZN, HTCG, KCAP, KIPO, MAIN, MCC, MCGC, MRCC, MVC, NGPC, NMFC, OFS, PFLT, PNNT, PSEC, SAR, SCM, SLRC, SUNS, TCAP, TCPC, TCRD, TICC, TINY, TPVG, TSLX and WHF. Metrics in billions of USD. Total assets as of 6/30/2018 with the exception of ACAS, ACSF, AINV, CMFN, CPTA, FSFR, FSIC, GARS, GBDC, GSVC, HCAP, KIPO, MCC, MCGC, MRCC, MVC, NGPC, NMFC, PFLT, PNNT, PSEC, SAR, SCM, SLRC, SUNS, TCAP, TCPC, TCRD, and WHF.

MCC Financial Results

Performance Overview

- Net investment income of \$0.02 per share for the quarter ending 6/30/2018
- Net asset value of \$6.43 per share for the quarter ending 6/30/2018
- Quarterly dividend of \$0.10 per share for the quarter ending 6/30/2018
- 10.0% portfolio yield as of 6/30/2018¹
- Funded \$78.6M in the MCC SLS JV since inception through the quarter ending 6/30/2018

1. Represents annualized portfolio yield to maturity of income bearing investments, excluding fees, while utilizing industry standard forward LIBOR curve assumptions.

Financial & Portfolio Highlights

Financial Highlights

	6/30/18	3/31/18	12/31/17	9/30/17	6/30/17	3/31/17
Net investment income per share	\$ 0.02	\$ 0.07	\$ 0.13	\$ 0.16	\$ 0.18	\$ 0.15
Net realized gains (losses) per share	\$ (0.64)	\$ (0.43)	\$ -	\$ (0.22)	\$ (1.01)	\$ -
Loss on extinguishment of debt per share	\$ -	\$ (0.02)	\$ -	\$ (0.01)	\$ -	\$ (0.01)
Net unrealized gains (losses) per share	\$ 0.13	\$ (0.15)	\$ (0.72)	\$ (0.16)	\$ 0.88	\$ (0.36)
Provision for taxes on unrealized per share	\$ -	\$ -	\$ -	\$ 0.01	\$ 0.01	\$ -
Net income per share ¹	\$ (0.49)	\$ (0.53)	\$ (0.59)	\$ (0.22)	\$ 0.06	\$ (0.22)
Net asset value per share	\$ 6.43	\$ 7.02	\$ 7.71	\$ 8.45	\$ 8.84	\$ 8.94

Portfolio Highlights

- \$634.9 million total fair value of investments as of June 30, 2018
- \$87.9 million net repayments during quarter ended June 30, 2018

Asset Mix by Investment Type

Asset Class	6/30/2018	3/31/2018	12/31/2017	9/30/2017	6/30/2017	3/31/2017
Senior Secured 1st Lien	63.7%	65.8%	67.0%	67.5%	63.6%	64.4%
Senior Secured 2nd Lien	7.5%	10.6%	12.7%	16.2%	21.1%	24.1%
Unsecured Debt	0.2%	-	-	-	-	3.1%
MCC Senior Loan Strategy JV I LLC	12.3%	9.5%	8.0%	6.7%	6.2%	4.8%
Equity/Warrants	16.3%	14.1%	12.3%	9.6%	9.1%	3.6%

Asset Mix by Rating

Rating	6/30/2018	3/31/2018	12/31/2017	9/30/2017	6/30/2017	3/31/2017
1	5.1%	3.3%	0.8%	5.1%	10.2%	12.0%
2	68.7%	78.6%	72.1%	63.0%	58.8%	58.4%
3	14.2%	5.8%	17.1%	16.7%	20.0%	15.8%
4	1.6%	5.7%	3.0%	8.3%	3.9%	6.4%
5	10.4%	6.6%	7.0%	6.9%	7.1%	7.4%

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)**

	6/30/18	3/31/18	12/31/17	9/30/17	6/30/17
Net investment income per share - basic & diluted	0.02	0.07	0.13	0.16	0.18
Net realized and unrealized gains per share - basic & diluted ^{1 2}	(0.51)	(0.60)	(0.72)	(0.39)	(0.12)
GAAP EPS - basic & diluted ³	(0.49)	(0.53)	(0.59)	(0.22)	0.06
Dividend declared per share	0.10	0.10	0.16	0.16	0.16
Stockholders' equity	\$ 350.2	\$ 382.3	\$ 419.8	\$ 460.4	\$ 481.3
Net asset value per share	6.43	7.02	7.71	8.45	8.84
Market Capitalization ⁴	\$ 189.0	\$ 216.8	\$ 284.4	\$ 325.2	\$ 348.1
Common stock data:					
High Price ⁵	\$ 4.37	\$ 5.34	\$ 6.10	\$ 6.57	\$ 7.84
Low Price ⁵	3.39	3.98	5.09	5.79	5.96
Closing Price	3.47	3.98	5.22	5.97	6.39
Investments at fair value	\$ 634.9	\$ 746.8	\$ 835.9	\$ 837.0	\$ 880.6
% Floating Rate ⁶	79.1%	82.9%	83.7%	83.5%	83.4%
% Fixed Rate ⁶	20.9%	17.1%	16.3%	16.5%	16.6%
Number of Portfolio Companies	62	64	68	64	60
Gross originations for the quarter	\$ 29.8	\$ 20.2	\$ 82.7	\$ 58.0	\$ 75.4
Repayments/amortizations for the quarter	117.7	79.5	47.9	82.0	119.0
Net originations/(repayments) for the quarter	(87.9)	(59.3)	34.8	(24.0)	(43.6)

Note: Basic and diluted per share data reflects weighted average common shares outstanding of 54,474,211 for all periods.

1. Inclusive of change in provision for taxes of \$193,849 for the quarter ended 06/30/18, \$190,494 for the quarter ended 03/31/18, \$90,009 for the quarter ended 12/31/17, \$309,180 for the quarter ended 09/30/17 and \$782,608 for the quarter ended 06/30/17.

2. Inclusive of loss on extinguishment of debt.

3. May not foot due to rounding.

4. Reflects common shares outstanding of 54,474,211 and a closing price of \$3.47 as of 06/30/18, 54,474,211 and a closing price of \$3.98 as of 03/31/18, 54,474,211 and a closing price of \$5.22 as of 12/31/17, 54,474,211 and a closing price of \$5.97 as of 9/30/17, 54,474,211 and a closing price of \$6.39 as of 6/30/17.

5. Reflects the high and low closing share price during the periods ended 06/30/2018, 03/31/2018, 12/31/2017, 09/30/2017, 06/30/17.

6. Based on income bearing investments.

Balance Sheet

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

	6/30/18	3/31/18	12/31/17	9/30/17	6/30/17
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)
ASSETS					
Investments at fair value					
Non-controlled/non-affiliated investments	\$ 358,757	\$ 480,365	\$ 565,542	\$ 575,496	\$ 608,166
Affiliated investments	98,014	93,793	95,792	90,071	33,317
Controlled investments	178,097	172,657	174,569	171,424	239,084
Total investments at fair value	\$ 634,868	\$ 746,815	\$ 835,903	\$ 836,991	\$ 880,567
Cash and cash equivalents	144,002	65,430	50,008	108,572	118,186
Interest receivable	4,701	9,427	9,475	9,371	6,629
Receivable for dispositions and investments sold	150	179	56	232	4,205
Other assets	5,048	4,243	4,582	4,394	2,054
TOTAL ASSETS	\$ 788,769	\$ 826,094	\$ 900,024	\$ 959,560	\$ 1,011,641
LIABILITIES					
Revolving credit facility payable	\$ 349	\$ 10,711	\$ 45,381	\$ 66,223	\$ 24,417
Term loan payable	-	-	101,047	100,954	172,333
Notes payable	276,330	275,771	173,002	172,752	172,508
SBA debentures payable	147,578	147,437	147,297	147,154	146,983
Management and incentive fees payable	3,533	3,396	4,068	4,312	4,439
Interest and fees payable	7,012	2,725	5,063	3,760	3,195
Accounts payable, accrued expenses and other liabilities	3,806	3,779	4,397	3,976	6,468
TOTAL LIABILITIES	\$ 438,608	\$ 443,819	\$ 480,255	\$ 499,131	\$ 530,343
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 June 30, 2018	\$ 54	\$ 54	\$ 54	\$ 54	\$ 54
Capital in excess of par value	705,046	705,046	705,046	705,046	705,313
Accumulated undistributed net investment income	(1,688)	2,856	7,992	9,528	5,873
Accumulated undistributed net realized gain/(loss) from investments	(236,183)	(201,173)	(176,684)	(176,663)	(160,827)
Net unrealized appreciation/(depreciation) on investments, net of defer	(117,068)	(124,508)	(116,639)	(77,536)	(69,115)
Total net assets	350,161	382,275	419,769	460,429	481,298
TOTAL LIABILITIES AND NET ASSETS	\$ 788,769	\$ 826,094	\$ 900,024	\$ 959,560	\$ 1,011,641
NET ASSET VALUE PER SHARE	\$ 6.43	\$ 7.02	\$ 7.71	\$ 8.45	\$ 8.84

Corporate Information

Board of Directors

BROOK TAUBE
Chairman & Chief Executive Officer

SETH TAUBE
Director

JEFF TONKEL
Director

ARTHUR AINSBERG
Independent Director

JOHN E. MACK
Independent Director

KARIN HIRTLER-GARVEY
Independent Director

MARK LERDAL
Independent Director

Corporate Officers

BROOK TAUBE
Chairman & Chief Executive Officer

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

JOHN FREDERICKS
Chief Compliance Officer

Research Coverage

JANNEY CAPITAL MARKETS
Mitchel Penn, CFA – (410) 583-5976

JEFFERIES GROUP
Kyle Joseph – (415) 229-1525

NATIONAL SECURITIES
Christopher R. Testa – (212) 417-7447

WELLS FARGO SECURITIES, LLC
Finian O'Shea – (212) 214-5082

Corporate Headquarters

280 Park Avenue, 6th Floor East
New York, NY 10017
(212) 759-0777

Investor Relations

SAM ANDERSON
Head of Capital Markets & Risk
Management
(212) 759-0777

Corporate Counsel

EVERSHEDS SUTHERLAND
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 (Senior Notes Due 2024)

Transfer Agent

AMERICAN STOCK TRANSFER & TRUST
COMPANY, LLC
(888) 777-0324