

Medley Capital Corporation (NYSE: MCC)

Investor Presentation

Quarter Ended March 31, 2017

Important Notice

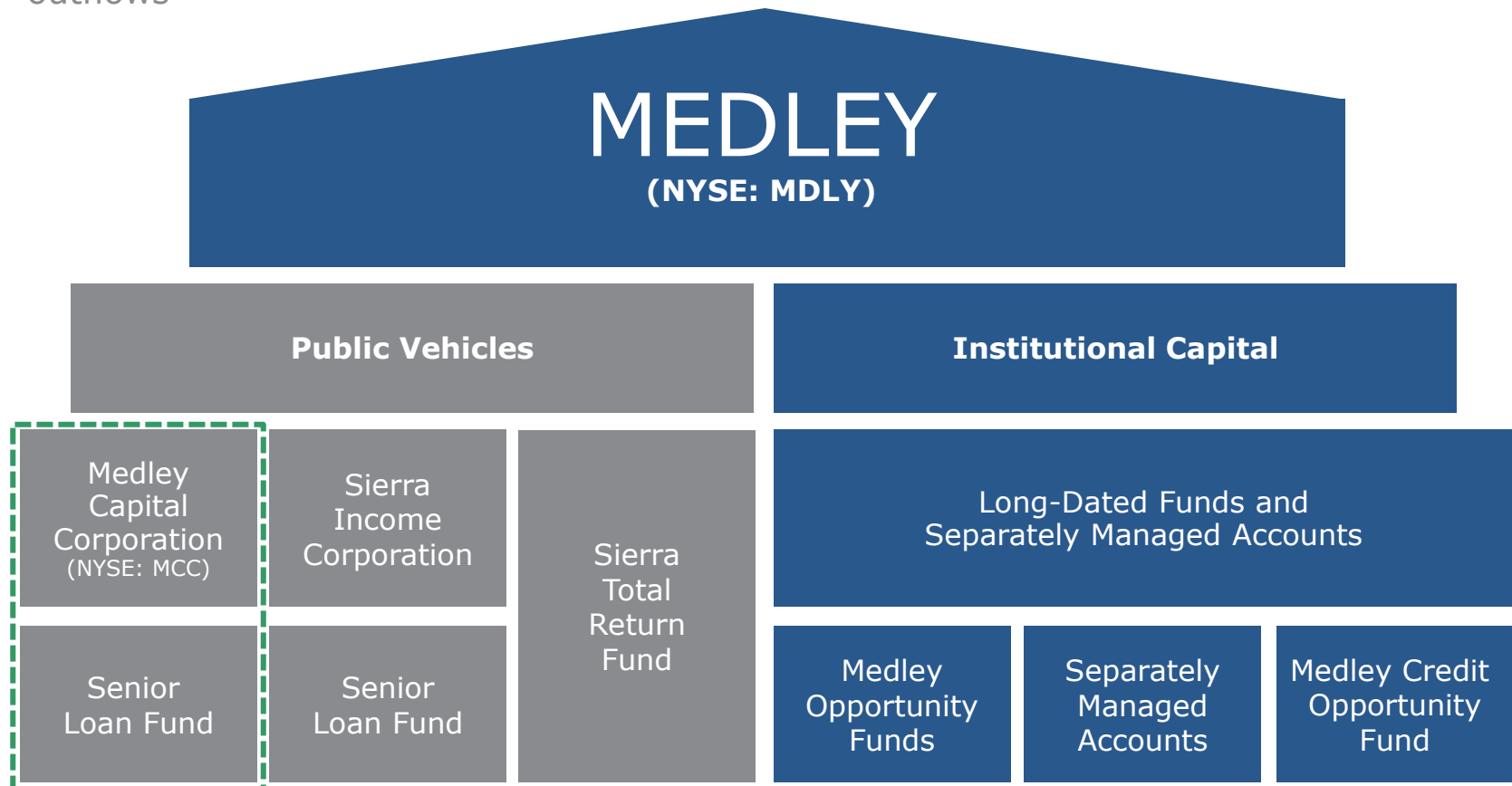
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Diversified AUM Across Multiple Funds

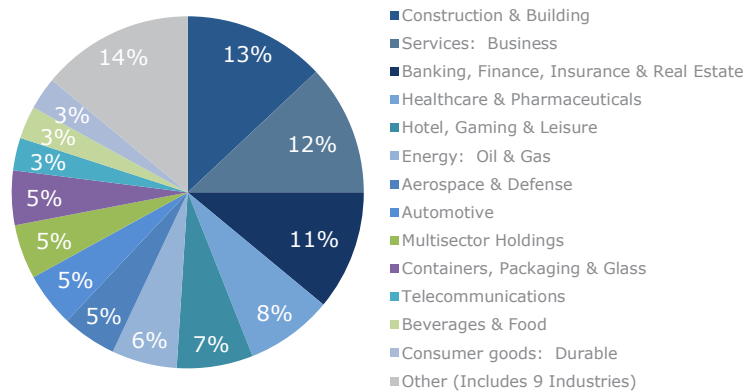
- Broad distribution through public and private vehicles
- Permanent capital, long-dated funds and managed accounts not subject to traditional outflows



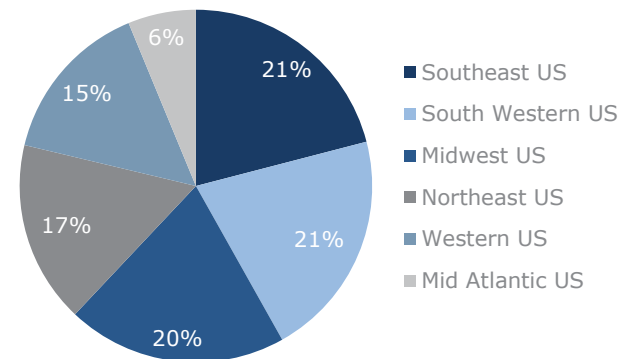
Diversified Senior Secured Floating Rate Portfolio

- MCC has a diversified portfolio of 64 companies with a 11.6% weighted average yield¹

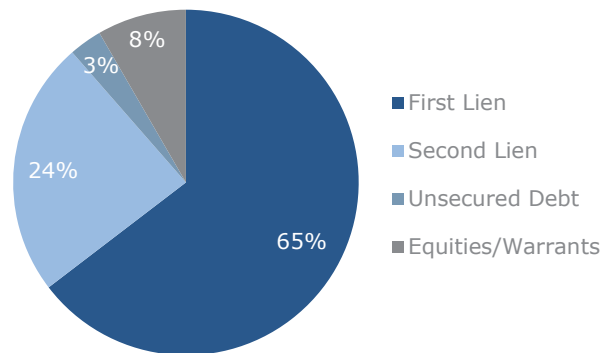
Industry



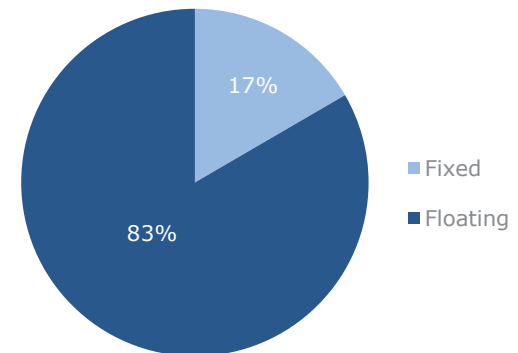
Geography²



Investment Type



Floating vs Fixed Rate

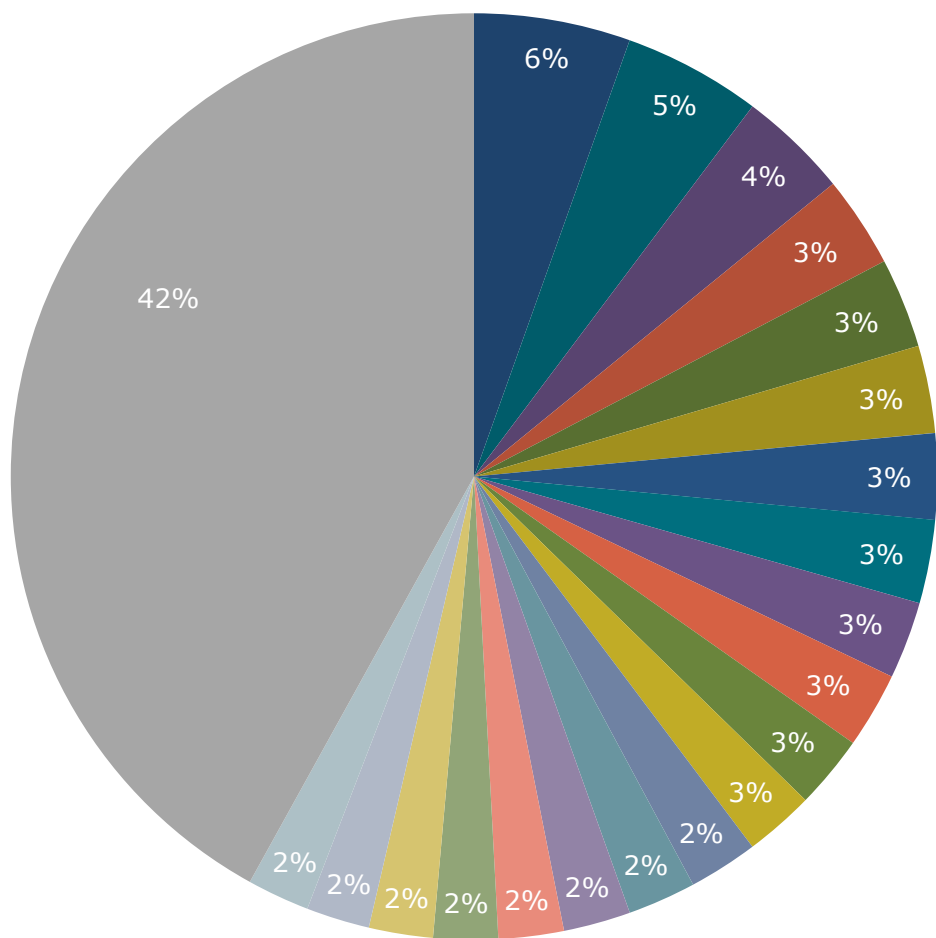


Note: Portfolio data as of 3/31/2017 based on fair market value. Numbers may not foot due to rounding.

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

2. MCC does not have exposure to international investments.

Portfolio by Issuer



Top 20 Investments: 58%

- Harrison Gypsum LLC
- MCC Senior Loan Strategy JV I LLC
- Nation Safe Drivers Holdings, Inc.
- NVTN LLC
- Merchant Cash and Capital LLC
- Northstar Group Services, Inc.
- AAR Intermediate Holdings LLC
- Accupac, Inc.
- Nielsen & Bainbridge LLC
- Seotowncenter, Inc.
- DHISCO Electronic Distribution, Inc.
- Omnivere LLC
- Capstone Nutrition
- L & S Plumbing Partnership, Ltd.
- The Plastics Group Acquisition Corp
- Heligear Acquisition Co.
- Oxford Mining Company LLC
- United Road Towing Inc
- JD Norman Industries, Inc.
- Jordan Reses Supply Company LLC
- Other

Note: Portfolio includes 64 total issuers; the 42% of Portfolio Issuer Concentration represents 44 MCC borrowers. Data as of 3/31/2017.

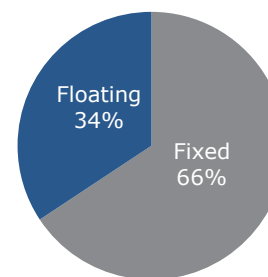
Well Positioned for a Rising Rate Environment

- MCC is well positioned for a rising interest rate environment
- 83% of the portfolio is floating rate
- 61% of liabilities are fixed rate
- Favorable asset & liability mix
 - The weighted average maturity of assets is 3.2 years
 - The weighted average maturity of liabilities is 5.4 years

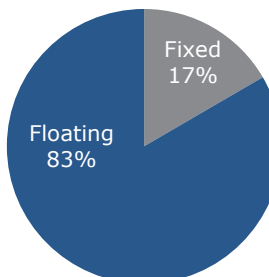
Basis Point Change	Interest Income Change	Interest Expense Change	NII Change	% NII Change
100	\$4,700	\$2,100	\$2,600	4.8%
200	11,100	4,200	6,900	12.7%
300	17,600	6,200	11,400	20.9%
400	24,000	8,300	15,700	28.8%
500	30,400	10,400	20,000	36.7%

Assets

12/31/2011

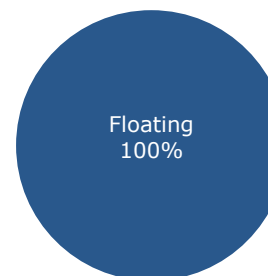


3/31/2017

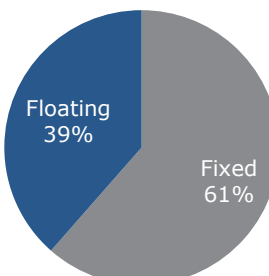


Liabilities

12/31/2011

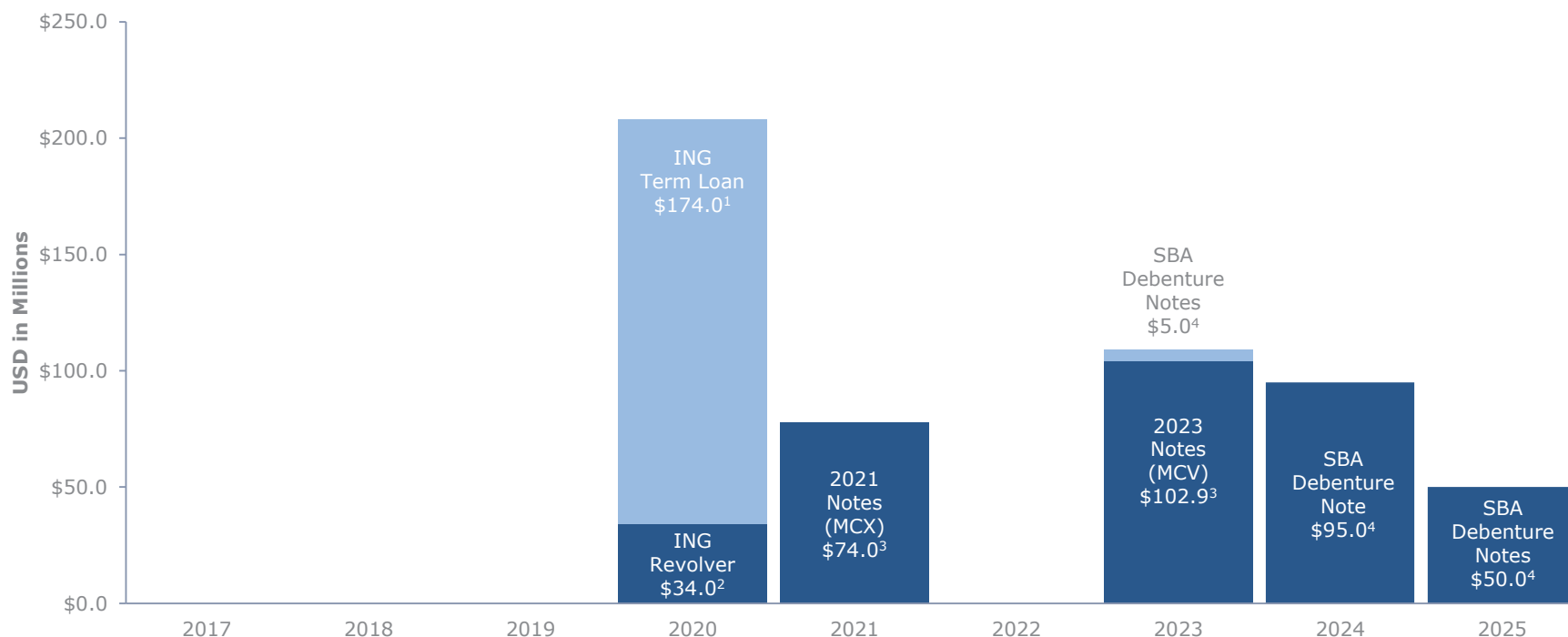


3/31/2017



Pro Forma Debt Maturity Profile

- MCC's liabilities are well diversified with a staggered debt maturity profile
- MCC issued \$39.0M of additional 2023 Notes and redeemed the 2019 Notes



Note: As of 3/31/2017. Pro Forma for issuance of \$39.0 million newly issued 2023 MCV Notes and redemption of the 2019 MCQ Notes.

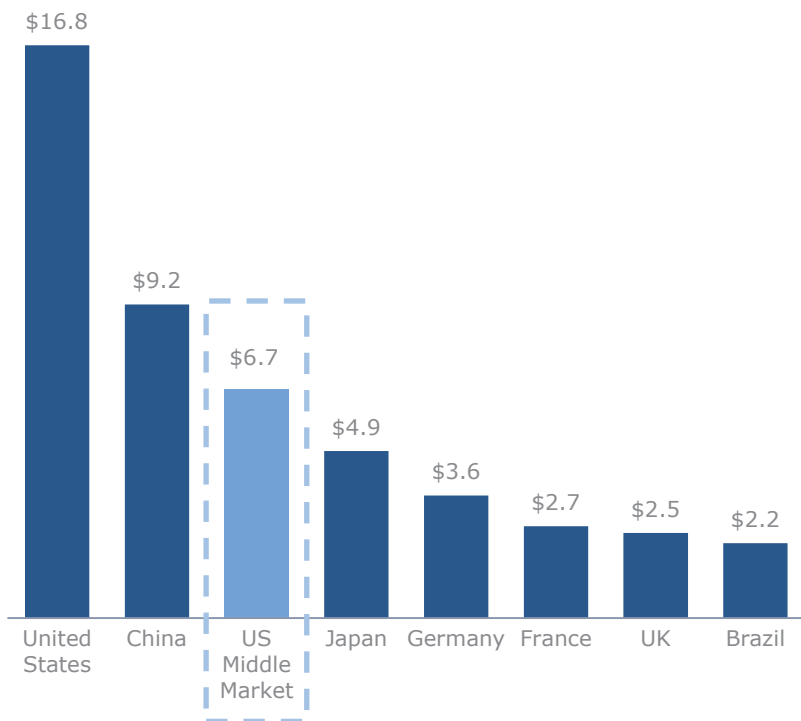
1. \$1.8 million aggregate difference in total ING Term Loan from the balance sheet is a result of recently adopted debt issuance cost accounting standards.
2. \$1.7 million aggregate difference in total Revolving Credit Facility from the balance sheet is a result of recently adopted debt issuance cost accounting standards.
3. \$4.7 million aggregate difference in total Unsecured Notes from the balance sheet is a result of recently adopted debt issuance cost accounting standards.
4. \$3.2 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

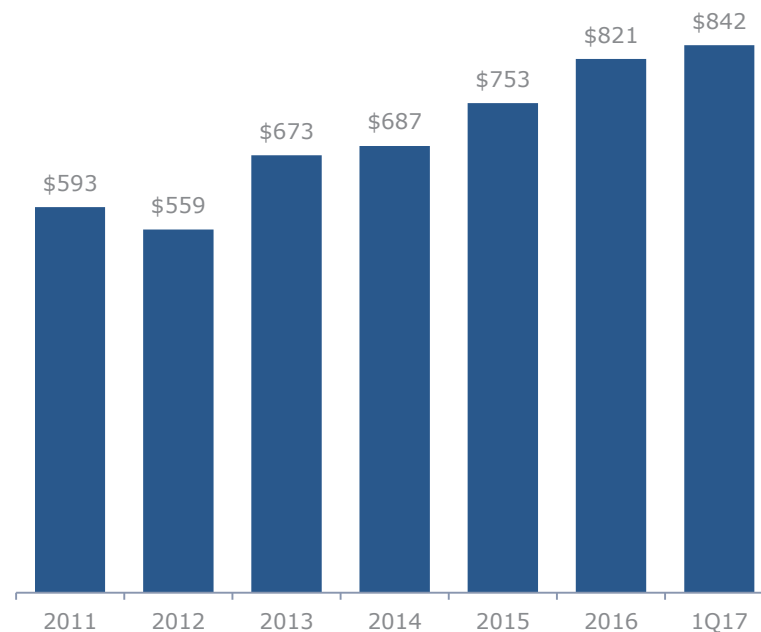
The Opportunity – Large Target Market

- 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 GDPs⁽¹⁾



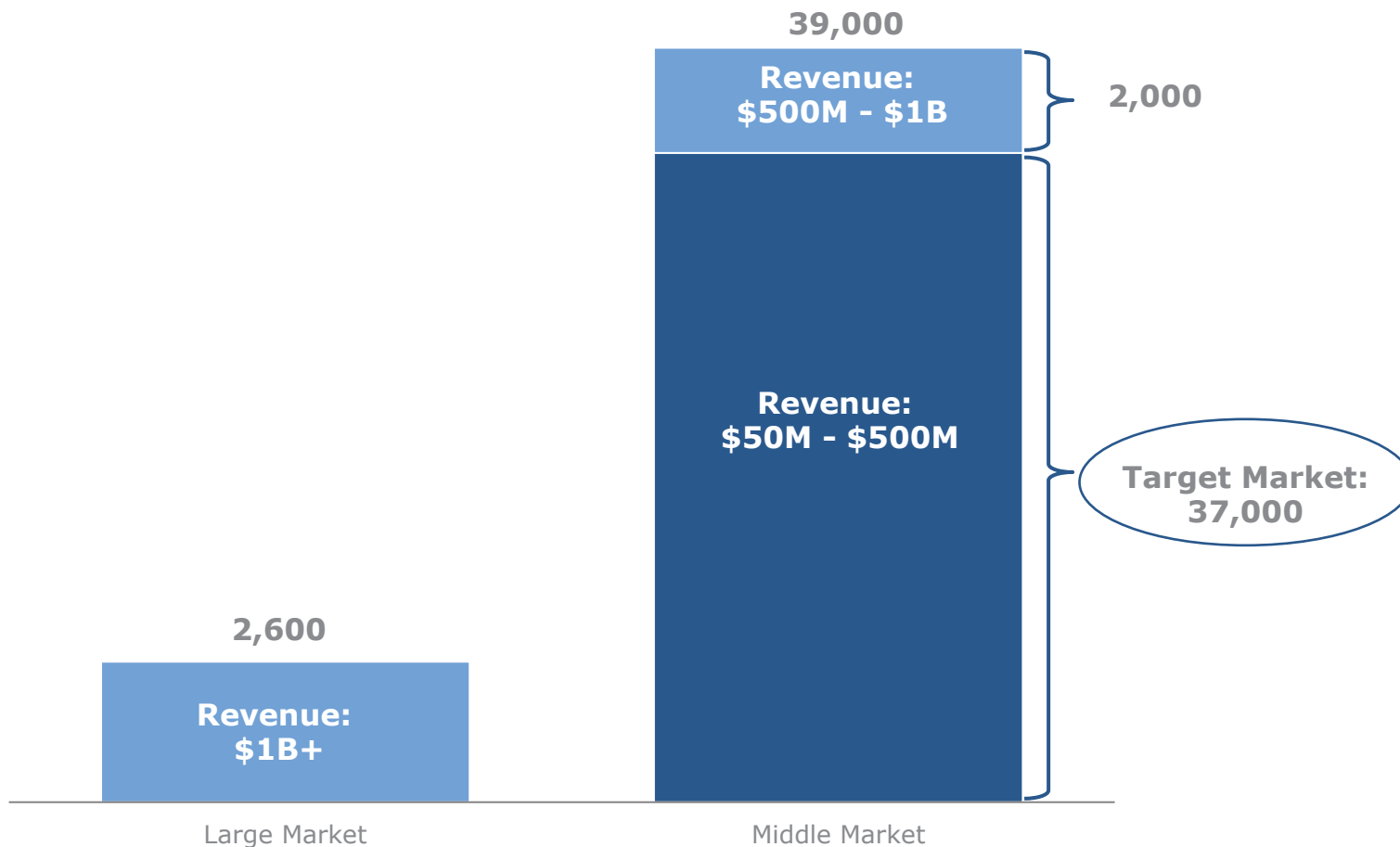
Private Equity Dry Powder⁽²⁾



1. International Monetary Fund, World Economic Outlook Database, June 2014. Metrics in trillions of USD.
 2. Preqin Private Debt Q1 2017 Quarterly Update. Metrics in billions of USD.

The Opportunity – Large Number of Borrowers

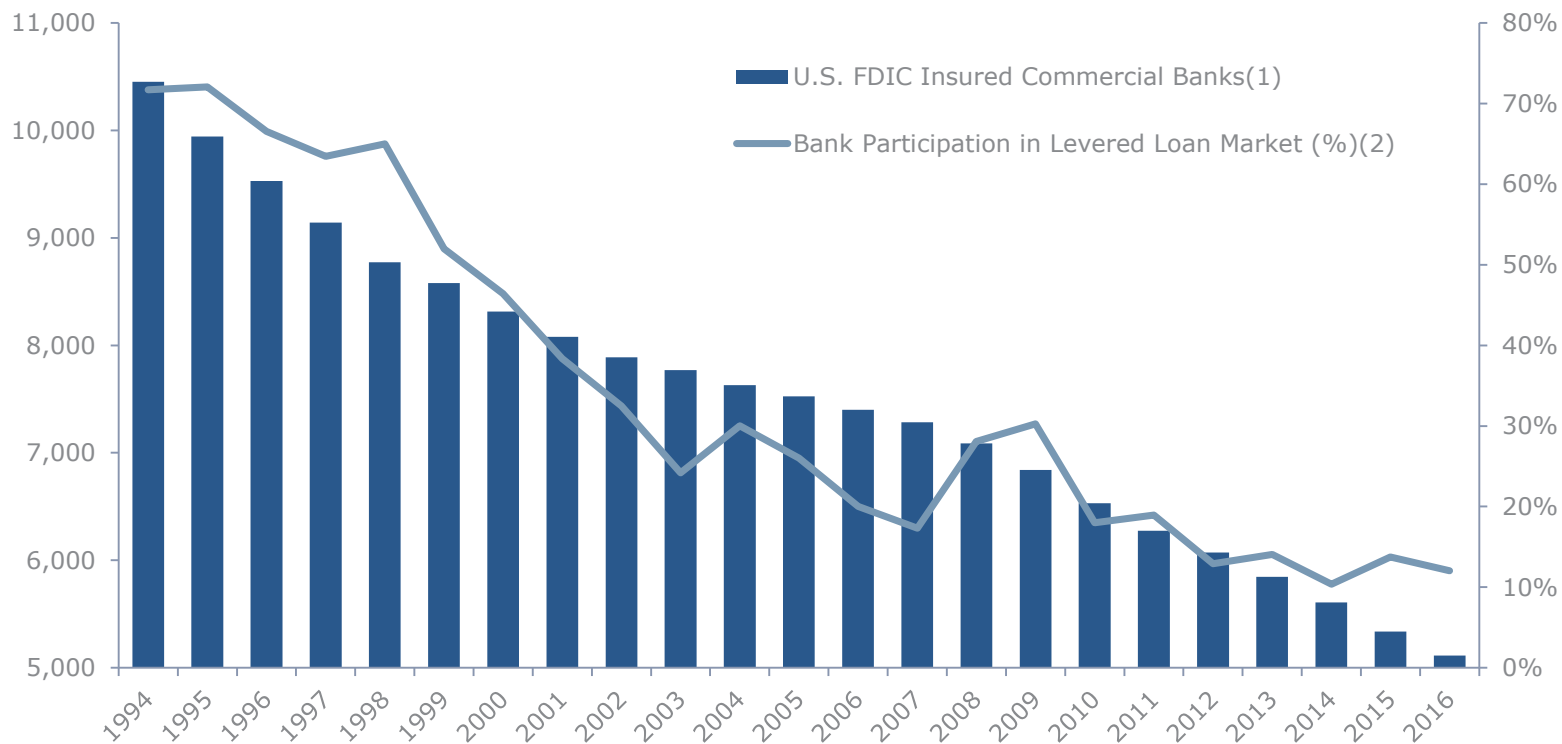
Number of Businesses by Market¹



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

The Opportunity – Bank Consolidation

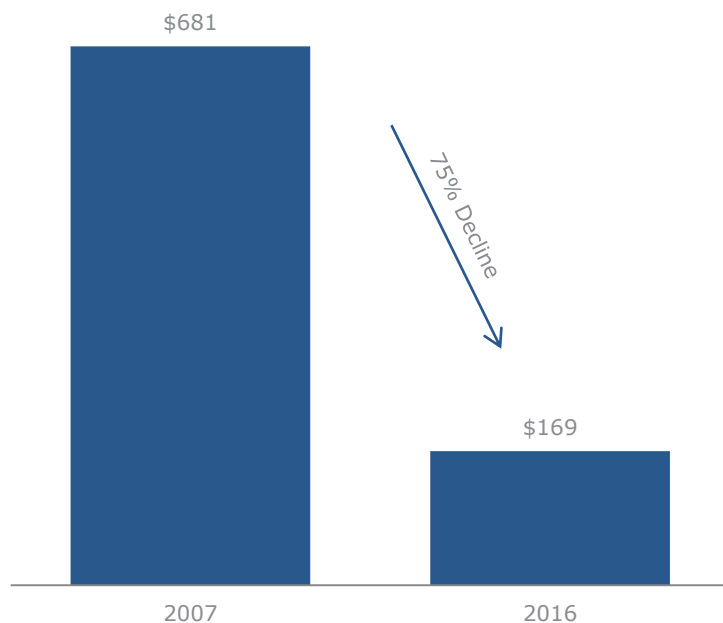
- Banks continue to shift toward large borrowers
- Regulatory environment is a headwind for banks in the middle-market



1. Federal Deposit Insurance Corporation, represents number of commercial banking institutions insured by the FDIC as of 12/31/2016.
 2. S&P LCD's Leveraged Lending Review – 4Q16.

Regulatory Pressure Continues for Banks

Level 3 Assets for Financial Firms⁽¹⁾



Total Assets of Publicly Traded BDCs⁽²⁾



1. Financial firms include: BAC, C, CS, DB, GS, JPM, MS, WFC, Bear Stearns, Countrywide Financial, Merrill Lynch & Washington Mutual. Metrics in billions of USD. Financial information as of 12/31/2016.

2. BDCs include: ACAS, ACSF, AINV, ARCC, BKCC, CMFN, CPTA, FDUS, FSC, FSIC, FSFR, 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 12/31/2016, with the exception of ACAS, MCGC, MVC, and SAR which are as of 9/30/2016, 6/30/2015, 1/31/2017, and 11/30/2016, respectively.

MCC Financial Results

Performance Overview

- Net asset value of \$8.94 per share for the quarter ending 3/31/2017
- Net investment income of \$0.15 per share for the quarter ending 3/31/2017
- Net investment income of \$0.17 per share adjusted for a one-time charge for the quarter ending 3/31/2017
- Quarterly dividend of \$0.16 per share for the quarter ending 3/31/2017
- 11.6% portfolio yield as of 3/31/2017¹
- Funded \$43.2M in the MCC SLS JV since inception through the quarter ending 3/31/2017
- Extended maturity structure and reduced interest costs by calling 2019 Notes and issuing an additional \$39.0 million of 2023 Notes

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

Financial & Portfolio Highlights

Financial Highlights

	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16	12/31/15	9/30/15
Net investment income per share	\$ 0.15	\$ 0.19	\$ 0.23	\$ 0.20	\$ 0.26	\$ 0.28	\$ 0.31
Net realized gains (losses) per share	-	(0.12)	(0.29)	(0.53)	-	0.10	(0.74)
Loss on extinguishment of Debt	(0.01)	-	-	-	-	-	-
Net unrealized gains (losses)	(0.36)	0.05	(0.01)	0.59	(0.25)	(1.07)	0.13
Provision for taxes on unrealized per share	-	-	0.01	-	-	(0.01)	-
Net income per share ¹	(0.22)	0.12	(0.06)	0.26	0.01	(0.70)	(0.29)
Net asset value per share	8.94	9.39	9.49	9.76	9.80	10.01	11.00

Portfolio Highlights

- \$926.1 million total fair value of investments as of March 31, 2017
- \$58.0 million gross originations during quarter ended March 31, 2017
- \$35.0 million repayments and exits during quarter ended March 31, 2017
- \$23.0 million net originations during quarter ended March 31, 2017

Asset Mix by Investment Type

Asset Class	3/31/2017	12/31/2016	9/30/16	6/30/16	3/31/16	12/31/15
Senior Secured 1st Lien	64.4%	64.3%	64.8%	60.7%	61.4%	59.7%
Senior Secured 2nd Lien	24.1%	23.4%	23.4%	28.4%	28.6%	30.9%
Unsecured Debt	3.1%	4.3%	5.8%	5.3%	5.1%	3.9%
Equity/Warrants	8.4%	8.0%	6.0%	5.6%	4.9%	5.5%

Asset Mix by Rating

Rating	3/31/2017	12/31/2016	9/30/16	6/30/16	3/31/16	12/31/15
1	12.0%	12.3%	12.3%	14.4%	10.9%	8.6%
2	58.4%	60.3%	60.6%	63.8%	70.7%	80.7%
3	15.8%	19.1%	18.7%	17.2%	17.5%	9.8%
4	6.4%	6.9%	7.2%	3.7%	-	-
5	7.4%	1.4%	1.2%	0.9%	0.9%	0.9%

1. May not foot due to rounding.

Key Initiatives to Drive Shareholder Value at MCC

- 1 Reduced fees and implemented netting with a three year look-back
- 2 Maintained investment grade ratings
- 3 Increased allocation to floating rate loans (currently 83%) as of 3/31/2017
- 4 Focus on larger, first lien senior secured loans
- 5 Increased long-term fixed rate liabilities (currently 61%) as of 3/31/2017

Select Financial & Portfolio Information

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

	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16
Net investment income per share - basic & diluted	\$ 0.15	\$ 0.19	\$ 0.23	\$ 0.20	\$ 0.26
Net realized and unrealized gains per share - basic & diluted ^{1 2}	(0.37)	(0.07)	(0.29)	0.06	(0.25)
GAAP EPS - basic & diluted ³	(0.22)	0.12	(0.06)	0.26	0.01
Dividend declared per share	0.16	0.22	0.22	0.22	0.30
Stockholders' equity	\$ 487.0	\$ 511.3	\$ 516.9	\$ 534.4	\$ 536.8
Net asset value per share	8.94	9.39	9.49	9.76	9.80
Market Capitalization ⁴	\$ 418.9	\$ 409.1	\$ 415.6	\$ 366.9	\$ 361.4
Common stock data:					
High Price ⁵	\$ 8.00	\$ 7.87	\$ 7.77	\$ 6.95	\$ 7.74
Low Price ⁵	7.40	6.96	7.05	6.26	5.37
Closing Price	7.69	7.51	7.63	6.70	6.60
Investments at fair value	\$ 926.1	\$ 917.6	\$ 914.2	\$ 1,042.5	\$ 1,036.1
% Floating Rate ⁶	83.4%	84.3%	78.7%	78.2%	78.5%
% Fixed Rate ⁶	16.6%	15.7%	21.3%	21.8%	21.5%
Number of Portfolio Companies	64	60	58	63	65
Gross originations for the quarter	\$ 58.0	\$ 41.3	\$ 10.1	\$ 11.7	\$ 29.1
Realizations/amortizations for the quarter	35.0	40.1	126.1	12.1	97.9
Net originations/(realizations) for the quarter	23.0	1.2	(116.0)	(0.4)	(68.8)

Note: Basic and diluted per share data reflects weighted average common shares outstanding of 54,474,211 as of 03/31/17, 54,474,211 as of 12/31/16, 54,747,189 as of 9/30/16, 54,763,411 as of 6/30/16 and 55,761,062 as of 3/31/16.

1. Inclusive of change in provision for taxes of \$0 for the quarter ended 03/31/17, \$0 for the quarter ended 12/31/16, (\$485,817) for the quarter ended 9/30/16, \$40,378 for the quarter ended 6/30/16 and \$133,490 for the quarter ended 3/31/16.
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 \$7.69 as of 03/31/17, 54,474,211 and a closing price of \$7.51 as of 12/31/16, 54,474,211 and a closing price of \$7.77 as of 9/30/2016, 54,763,411 and a closing price of \$6.70 as of 6/30/2016 and 54,763,411 and a closing price of \$6.60 as of 3/31/2016.
5. Reflects the high and low closing share price during the periods ended 03/31/17, 12/31/16, 9/30/16, 6/30/16 and 3/31/16.
6. Based on income bearing investments.

Balance Sheet

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

	3/31/17	12/31/16	9/30/16	6/30/16	3/31/16
	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)
ASSETS					
Investments at fair value					
Non-controlled/non-affiliated investments	\$ 717,295	\$ 730,316	\$ 767,302	\$ 920,130	\$ 932,054
Controlled investments	176,022	177,297	136,882	112,361	94,036
Affiliated investments	32,824	10,000	10,000	10,000	10,000
Total investments at fair value	\$ 926,141	\$ 917,613	\$ 914,184	\$ 1,042,491	\$ 1,036,090
Cash and cash equivalents	83,523	102,135	104,485	11,853	12,707
Interest receivable	10,050	11,007	8,982	8,287	9,966
Receivable for dispositions and investments sold	680	556	689	778	394
Other assets	2,107	1,632	2,540	3,640	2,879
TOTAL ASSETS¹	\$ 1,022,501	\$ 1,032,943	\$ 1,030,880	\$ 1,067,049	\$ 1,062,036
LIABILITIES					
Revolving credit facility payable ¹	\$ 32,292	\$ 14,789	\$ 10,410	\$ 24,608	\$ 21,782
Term loan payable ¹	172,158	171,983	171,803	172,017	171,864
Notes payable ¹	172,163	173,245	172,883	172,635	172,374
SBA debentures payable ¹	146,814	146,646	146,475	146,304	146,134
Management and incentive fees payable	4,479	5,347	4,559	7,591	5,902
Interest and fees payable	1,843	4,032	1,714	3,110	1,832
Accounts payable, accrued expenses and other liabilities	5,737	5,641	6,117	6,419	5,376
TOTAL LIABILITIES¹	\$ 535,486	\$ 521,683	\$ 513,961	\$ 532,684	\$ 525,264
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, 2017	\$ 54	\$ 54	\$ 54	\$ 55	\$ 55
Capital in excess of par value	705,313	705,326	705,326	707,496	707,496
Accumulated undistributed net investment income	5,020	8,962	10,812	11,472	16,947
Accumulated undistributed net realized gain/(loss) from investments	(105,745)	(105,299)	(99,000)	(84,325)	(55,148)
Net unrealized appreciation/(depreciation) on investments, net of deferred taxes	(117,627)	(97,783)	(100,273)	(100,333)	(132,578)
Total net assets	487,015	511,260	516,919	534,365	536,772
TOTAL LIABILITIES AND NET ASSETS¹	\$ 1,022,501	\$ 1,032,943	\$ 1,030,880	\$ 1,067,049	\$ 1,062,036
NET ASSET VALUE PER SHARE	\$ 8.94	\$ 9.39	\$ 9.49	\$ 9.76	\$ 9.80

1. On January 1, 2016, we adopted Accounting Standards Update ("ASU") 2015-03 which requires that debt issuance costs related to a recognized debt liability to be presented on the balance sheet as a direct deduction from the carrying amount of the debt liability rather than as an asset. Adoption of ASU 2015-03 requires the changes to be applied retrospectively.

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

ROBERT LYONS
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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FBR & CO.
Christopher Nolan – (646)-412-7690

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JEFFERIES GROUP
Kyle Joseph – (415)-229-1525

JMP SECURITIES
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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)

Transfer Agent

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