

Investor Presentation

*Sierra Income Corporation, Medley Capital Corporation and
Medley Management Inc. Merger Update*

July 29, 2019

Important Notices

This presentation contains “forward-looking” statements, including statements regarding the proposed transactions. Such forward-looking statements reflect current views with respect to future events and financial performance, and each of Sierra Income Corporation (“Sierra”), Medley Capital Corporation (“MCC”) and Medley Management Inc. (“MDLY”) may make related oral forward-looking statements on or following the date hereof. Statements that include the words “should,” “would,” “expect,” “intend,” “plan,” “believe,” “project,” “anticipate,” “seek,” “will,” and similar statements of a future or forward-looking nature identify forward-looking statements in this material or similar oral statements for purposes of the U.S. federal securities laws or otherwise. Because forward-looking statements, such as the date that the parties expect the proposed transactions to be completed and the expectation that the proposed transactions will provide improved liquidity for Sierra, MCC, and MDLY stockholders and will be accretive to net investment income for both Sierra and MCC, include risks and uncertainties, actual results may differ materially from those expressed or implied and include, but are not limited to, those discussed in each of Sierra’s, MCC’s and MDLY’s filings with the Securities and Exchange Commission (the “SEC”), and (i) the satisfaction or waiver of closing conditions relating to the proposed transactions described herein, including, but not limited to, the requisite approvals of the stockholders of each of Sierra, MCC, and MDLY, Sierra successfully taking all actions reasonably required with respect to certain outstanding indebtedness of MCC and MDLY to prevent any material adverse effect relating thereto, certain required approvals of the SEC (including necessary exemptive relief), court approval of a stipulation of settlement, the necessary consents of certain third-party advisory clients of MDLY, and any applicable waiting period (and any extension thereof) applicable to the transactions under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, shall have expired or been terminated; (ii) the parties’ ability to successfully consummate the proposed transactions, and the timing thereof; (iii) the results of the go-shop process that will be conducted by MCC’s special committee; and (iv) the possibility that competing offers or acquisition proposals related to the proposed transactions will be made and, if made, could be successful. Additional risks and uncertainties specific to Sierra, MCC and MDLY include, but are not limited to, (i) the costs and expenses that Sierra, MCC and MDLY have, and may incur, in connection with the proposed transactions (whether or not they are consummated); (ii) the impact that any litigation relating to the proposed transactions may have on any of Sierra, MCC and MDLY; (iii) that projections with respect to dividends may prove to be incorrect; (iv) Sierra’s ability to invest its portfolio of cash in a timely manner following the closing of the proposed transactions; (v) the market performance of the combined portfolio; (vi) the ability of portfolio companies to pay interest and principal in the future; (vii) the ability of MDLY to grow its fee earning assets under management; (viii) whether Sierra, as the surviving company, will trade with more volume and perform better than MCC and MDLY prior to the proposed transactions; and (ix) negative effects of entering into the proposed transactions on the trading volume and market price of the MCC’s or MDLY’s common stock. There can be no assurance of the level of any distributions to be paid, if any, following consummation of the proposed transactions.

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that will be included in the Amended Joint Proxy Statement/Prospectus (as defined below) relating to the proposed transactions, and in the “Risk Factors” sections of each of Sierra’s, MCC’s and MDLY’s most recent Annual Report on Form 10-K and most recent Quarterly Report on Form 10-Q. The forward-looking statements in this presentation represent Sierra’s, MCC’s and MDLY’s views as of the date of hereof. Sierra, MCC and MDLY anticipate that subsequent events and developments will cause their views to change. However, while they may elect to update these forward-looking statements at some point in the future, none of Sierra, MCC or MDLY have the current intention of doing so except to the extent required by applicable law. You should, therefore, not rely on these forward-looking statements as representing Sierra’s, MCC’s or MDLY’s views as of any date subsequent to the date of this material.

Important Notices

Additional Information and Where to Find It

In connection with the proposed transactions, Sierra intends to file with the SEC and mail to its stockholders an amendment to the Registration Statement on Form N-14 that will include a proxy statement and that also will constitute a prospectus of Sierra, and MCC and MDLY intend to file with the SEC and mail to their respective stockholders an amendment to the proxy statement on Schedule 14A (the "Joint Proxy Statement/Prospectus" and, as amended, the "Amended Joint Proxy Statement/Prospectus"). The Joint Proxy Statement/Prospectus, as applicable, was first mailed or otherwise delivered to stockholders of Sierra, MCC, and MDLY on or about December 21, 2018. INVESTORS AND STOCKHOLDERS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS, AS WELL AS THE AMENDED JOINT PROXY STATEMENT/PROSPECTUS, WHEN THEY BECOME AVAILABLE, OR ANY SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT SIERRA, MCC, AND MDLY, THE PROPOSED TRANSACTIONS AND RELATED MATTERS. **Investors and stockholders can obtain the Joint Proxy Statement/Prospectus and other documents filed with the SEC by Sierra, MCC, and MDLY, free of charge, from the SEC's website (www.sec.gov) and from Sierra's website (www.sierraincomecorp.com), MCC's website (www.medleycapitalcorp.com), or MDLY's website (www.mdly.com). Investors and stockholders may also obtain free copies of the Joint Proxy Statement/Prospectus and other documents filed with the SEC from Sierra, MCC, or MDLY by contacting Sam Anderson, Medley's Investor Relations contact, at 212-759-0777.**

Participants in the Solicitation

Sierra, MCC, and MDLY and their respective directors, executive officers, other members of their management and certain employees of Medley LLC may be deemed to be participants in the anticipated solicitation of proxies in connection with the proposed transactions. Information regarding Sierra's directors and executive officers is available in its definitive proxy statement for its 2019 annual meeting of stockholders filed with the SEC on April 30, 2019 (the "Sierra 2019 Proxy Statement"). Information regarding MCC's directors and executive officers is available in its definitive proxy statement for its 2019 annual meeting of stockholders filed with the SEC on May 9, 2019 (the "MCC 2019 Proxy Statement"). Information regarding MDLY's directors and executive officers is available in its definitive proxy statement for its 2019 annual meeting of stockholders filed with the SEC on April 30, 2019 (the "MDLY 2019 Proxy Statement"). To the extent holdings of securities by such directors or executive officers have changed since the amounts disclosed in the Sierra 2019 Proxy Statement, the MCC 2019 Proxy Statement, and the MDLY 2019 Proxy Statement, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed by such directors or executive officers, as the case may be, with the SEC. More detailed information regarding the identity of potential participants, and their direct or indirect interests, by security holdings or otherwise, will be set forth in the Amended Joint Proxy Statement/Prospectus when such documents become available and in other relevant materials to be filed with the SEC. These documents may be obtained free of charge from the sources indicated above.

No Offer or Solicitation

The information in this presentation is for informational purposes only and shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities or the solicitation of any vote or approval in any jurisdiction pursuant to or in connection with the proposed transactions or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Key Transaction Highlights

The combination of Sierra Income Corp. (“Sierra”), Medley Capital Corp. (“MCC”) and Medley Management Inc. (“MDLY”) will create a leading, publicly traded internally managed BDC



Note: The Combined Company refers to the surviving entity following the merger of MCC with and into Sierra and the merger of MDLY with and into Sierra Management, Inc., a wholly owned subsidiary of Sierra. All of the financial metrics described herein assume that both mergers are consummated. All data takes into account receipt of settlement consideration (see page 6). However, as the merger of Sierra and MDLY is not contingent upon the closing of the merger of Sierra and MCC, the surviving entity at the closing of the transaction could be Sierra, operated as an internally managed BDC, with MDLY and its existing asset management business operated as its wholly owned subsidiary. In that event, MCC could, among other outcomes, pursue a strategic transaction with another entity or continue to be managed by MCC Advisors LLC for the near or long term. All of these scenarios, among others, will be addressed in the amendment to the Joint Proxy Statement/Prospectus. Under the terms of the amended MCC merger agreement, the actual exchange ratio will be subject to adjustment for certain potential costs associated with the transaction.

1. Bloomberg, Capital IQ and IBES as of June 28, 2019. Ranking based upon assets as of March 31, 2019.

2. Estimates of Sierra’s post-merger financial position are based on March 31, 2019 financials of the respective companies.

3. The independent directors of Sierra will also have the option to elect in their sole discretion an additional independent director who will be selected by the independent directors of Sierra.

Transaction Results in Increased Scale

Transaction is expected to create the 3rd largest internally managed and the 13th largest publicly traded BDC

Manager	Assets	Market Cap	Price / NAV	2019E NII / Price	2019E NII / NAV
Ares Capital Corporation	\$ 13,962	\$ 7,642	1.04 x	10.0 %	10.4 %
FS KKR Capital Corp.	7,733	3,124	0.76	12.4	9.4
Prospect Capital Corporation	5,848	2,396	0.72	12.6	9.1
Golub Capital BDC, Inc.	4,160	2,240	1.11	7.2	8.0
New Mountain Finance Corporation	2,650	1,125	1.04	10.0	10.4
Main Street Capital Corporation	2,595	2,564	1.68	6.3	10.5
Apollo Investment Corporation	2,498	1,088	0.83	14.2	11.8
TCG BDC Inc.	2,214	924	0.87	11.6	10.2
Hercules Capital, Inc.	2,139	1,238	1.25	10.4	13.0
Bain Capital Specialty Finance Inc.	1,996	962	0.94	9.3	8.8
TPG Specialty Lending, Inc.	1,850	1,288	1.20	9.5	11.3
Solar Capital Ltd.	1,807	868	0.94	8.7	8.2
Pro-Forma Sierra Income Corp.¹	1,755	NA	NA	NA	NA
BlackRock TCP Capital Corp.	1,663	837	1.00	11.4	11.4
Oaktree Specialty Lending Corporation	1,541	764	0.83	9.4	7.8
Goldman Sachs BDC, Inc.	1,428	792	1.14	10.1	11.5
PennantPark Floating Rate Capital Ltd.	1,012	448	0.87	10.1	8.9
BlackRock Capital Investment Corporation	722	415	0.84	10.7	9.0
Fidus Investment Corporation	705	390	0.96	9.6	9.2
Gladstone Investment Corporation	635	369	0.91	8.9	8.1
Monroe Capital Corporation	629	236	0.91	12.3	11.2
Oaktree Strategic Income Corporation	610	250	0.87	8.3	7.2
TriplePoint Venture Growth BDC Corp.	554	353	1.05	11.0	11.6
THL Credit, Inc.	520	213	0.74	14.0	10.4

Bold text denotes internally managed BDCs

Source: SNL Financial, Company Filings

Note: Figures are in millions. Market data as of June 28, 2019; BDC peer set provided by management. BDC with total assets less than \$500 million not shown. Financial data as of March 31, 2019. 2019E NII Data per IBES Consensus Estimates. GBDC assets and market cap pro forma for merger with GCIC.

1. Treated as a single entity following announced merger.

2. Estimates of Sierra's post-merger financial position reflect most recent deal terms and projections provided by management.

Transaction Summary

Structure

- Combination of Sierra, MCC and MDLY through two transactions with Sierra as the surviving entity:¹
 - Merger of MCC into Sierra
 - Acquisition of MDLY by Sierra; MDLY will operate as a subsidiary of Sierra

Consideration

- Each MCC share will be converted into 0.66x to 0.68x shares of Sierra Common Stock, and eligible class members will receive their pro rata share of the settlement fund²
- Each share of MDLY Class A Common Stock, other than MDLY Class A Common Stock held by the MDLY LLC Unitholders, will receive 0.2668 shares of Sierra Common Stock and \$2.96 per share of cash consideration
- Medley LLC Unitholders have agreed to convert their units into MDLY Class A Common Stock immediately prior to closing, and will receive for each MDLY Class A Common Stock 0.2072 shares of Sierra Common Stock and \$2.66 per share of cash consideration
- Medley LLC Unitholders have agreed to forgo all payments that would be due to them under the existing Tax Receivable Agreement with MDLY for the benefit of the Combined Company

Balance Sheet / Leverage

- Pro-Forma Combined Company statistics:³
 - Assets of ~\$1.8 billion; AUM of ~\$4.7 billion
 - NAV per share of \$6.71
 - Regulatory Debt / NAV of 0.60x

Key Approvals

- SEC approval, shareholder approvals at MDLY, MCC and Sierra and other customary approvals⁴

“Go Shop”

- Sierra-MCC merger agreement provides for a 60-day “go-shop” period, during which MCC’s special committee and advisors may actively solicit alternative proposals and enter into negotiations with other parties

Governance

- Combined Company Board will consist of four independent directors (three from Sierra and one from MCC to be chosen prior to closing by Sierra’s special committee⁵) and one interested director

Listing

- Combined Company’s common stock to be listed on the NYSE and the TASE at the time of closing

Timing

- Expected to close in the fourth quarter of 2019
-

1. The merger of Sierra and MDLY is not contingent upon the closing of the merger of Sierra and MCC.
2. The actual exchange ratio will be determined prior to closing and will be subject to adjustment for certain potential costs associated with the transaction. The settlement fund will consist of \$17 million of cash and \$30 million of Sierra common stock. The \$30 million of Sierra common stock is to be calculated based on the pro forma net asset value to be reported in the amendment to the Joint Proxy Statement/Prospectus disclosing the amendment to the MCC merger agreement. The stipulation of settlement provides for release of all claims that were or could have been asserted in the action captioned as *In re Medley Capital Corporation Stockholder Litigation*, C.A. No. 2019-0100-KSJM which will be filed with the Delaware Chancery Court.
3. Estimates of Sierra’s post-merger financial position are based on the publicly reported financial information of Sierra, MCC and MDLY as of March 31, 2019. Assumes an exchange ratio of 0.67x SIC shares for each MCC share, which is the mid-point of the 0.66x-0.68x range set forth in the merger agreement. Under the terms of the amended MCC merger agreement, the actual exchange ratio will be subject to adjustment for certain potential costs associated with the transaction.
4. In the case of the Sierra-MCC merger, court approval of the stipulation of settlement is required.
5. The independent directors of Sierra will also have the option to elect in their sole discretion an additional independent director who will be selected by the independent directors of Sierra.

Review of Independent Decision Framework

Independent Special Committees drove comprehensive and independent decision making processes at Sierra, MCC and MDLY

- ✓ Three Special Committees were formed and consisted solely of independent directors
- ✓ Three independent financial advisors were engaged by the respective Special Committees
- ✓ Three independent law firms with deep M&A knowledge advised their respective independent Special Committee on the transactions
- ✓ Sierra, MCC and MDLY independent directors conducted thorough reviews of the transactions
- ✓ MCC and MDLY Special Committees each conducted an independent and extensive consideration of the transactions, its anticipated benefits and their respective standalone alternatives
- ✓ After significant negotiations, the three Special Committees unanimously recommended the transactions

Independent Special Committees and Advisors

Three Special Committees, comprised solely of independent directors, have been assisted by their respective financial and legal advisors

	Sierra	MCC	MDLY
Special Committees of Independent Directors	<ul style="list-style-type: none">• Stephen R. Byers (Chair)• Oliver T. Kane• Valerie Lancaster-Beal	<ul style="list-style-type: none">• David A. Lorber (Chair)• Arthur Ainsberg• Karin Hirtler-Garvey• Lowell W. Robinson	<ul style="list-style-type: none">• Jeffrey T. Leeds (Chair)• Guy Rounsaville, Jr.• James G. Eaton
Legal Counsel to Special Committees	<ul style="list-style-type: none">• Sullivan & Worcester LLP	<ul style="list-style-type: none">• Kramer Levin Naftalis & Frankel LLP	<ul style="list-style-type: none">• Potter Anderson & Corroon LLP
Financial Advisors to Special Committees	<ul style="list-style-type: none">• Broadhaven Capital Partners, LLC	<ul style="list-style-type: none">• Sandler O'Neill + Partners, L.P.	<ul style="list-style-type: none">• Barclays Capital Inc.

Key Corporate Governance Highlights

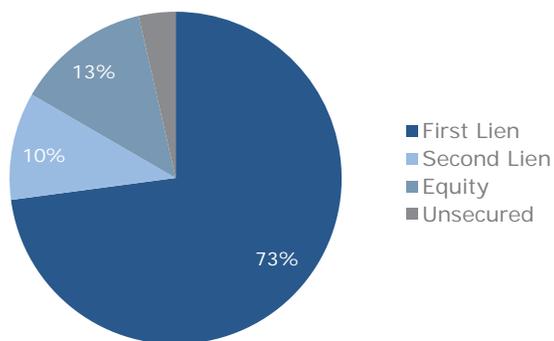
The Combined Company will feature a strong corporate governance structure and greater management alignment with shareholders

- ✓ Board composition consistent with industry best practices - greater independence (4 out of 5 directors will be independent and an independent director will serve as board chair)¹
- ✓ Single class of BDC common stock replaces Sierra, MCC and both classes of MDLY stock
- ✓ Streamlined corporate governance through internalization of management
- ✓ Medley LLC Unitholders will roll over 100% of their after-tax equity value into the Combined Company, which will be subject to a 12-month lock-up period, further aligning management's interests with stockholders
- ✓ Medley LLC Unitholders to forgo all payments that would be due to them under the existing Tax Receivable Agreement with MDLY for the benefit of the Combined Company

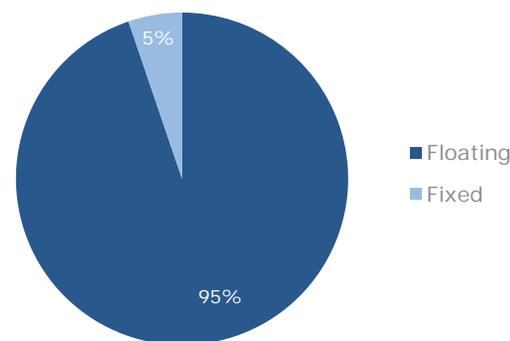
1. The independent directors of Sierra will also have the option to elect in their sole discretion an additional independent director who will be selected by the independent directors of Sierra.

Sierra Pro-Forma Portfolio Summary

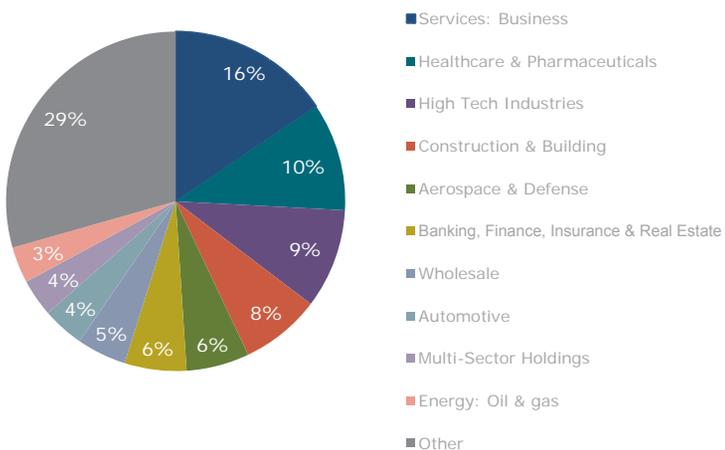
Investment Type



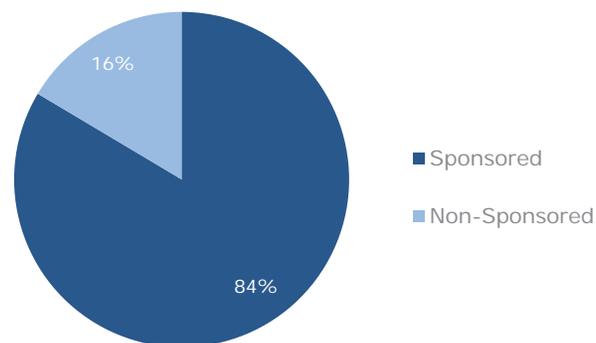
Floating vs Fixed Rate¹



Industry



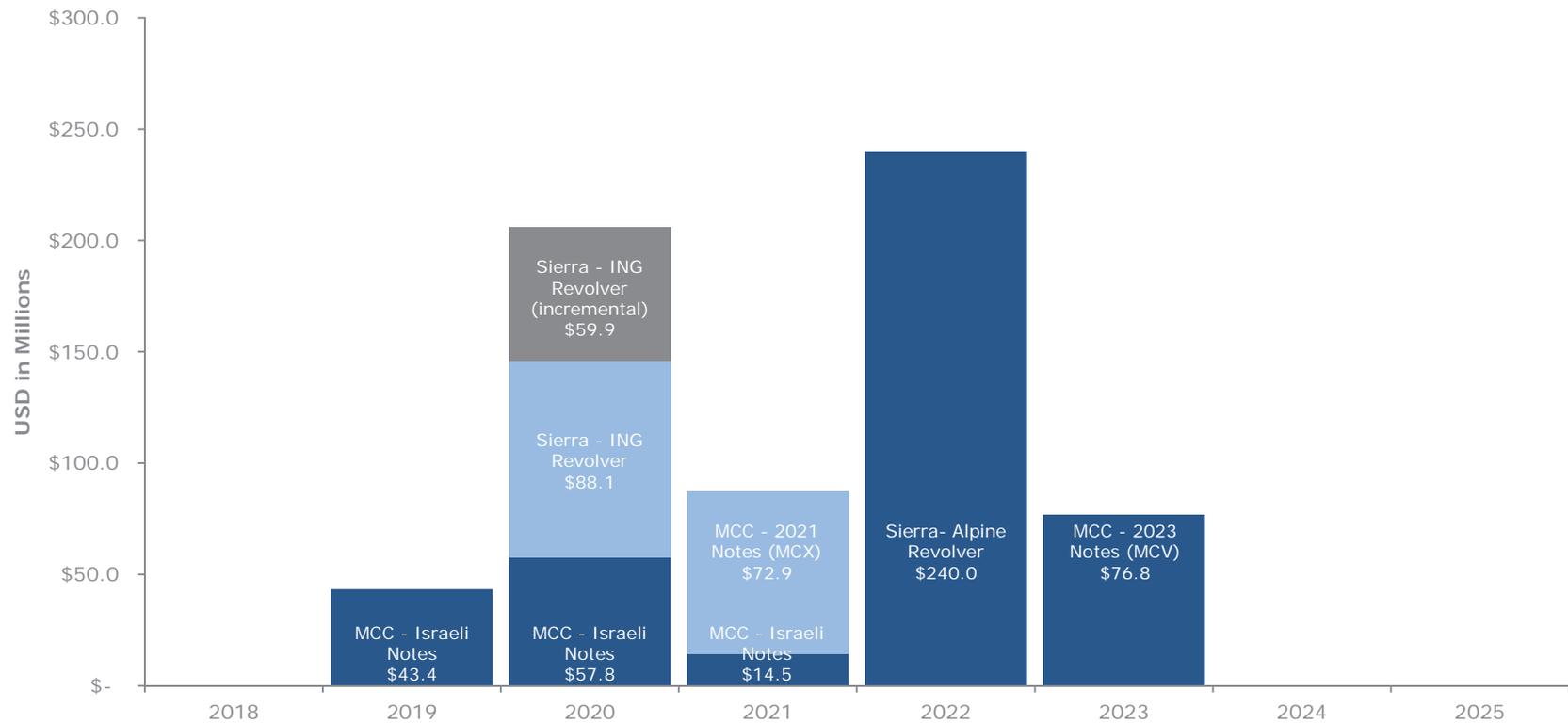
Sponsor / Non-Sponsor



Note: Portfolio data as of March 31, 2019 based on fair market value ("FMV"). Portfolio includes all positions inclusive of SLS JVs and other off balance sheet funds and excludes FMV of asset manager.
 1. Based on income bearing investments; excludes equity investments.

Combined Debt Maturity Profile

Liabilities are well diversified with a staggered debt maturity profile with estimated regulatory leverage of 0.60x¹



1. Estimates of Sierra's post-merger financial position are based on the publicly reported financial information of Sierra, MCC and MDLY as of March 31, 2019 and are adjusted for amendment to the Israeli bond indenture approved by bondholders on July 16, 2019 with an expected effective date of August 12, 2019. Stated leverage calculated pursuant to the Investment Company Act of 1940.

Medley Platform

Medley Platform Overview

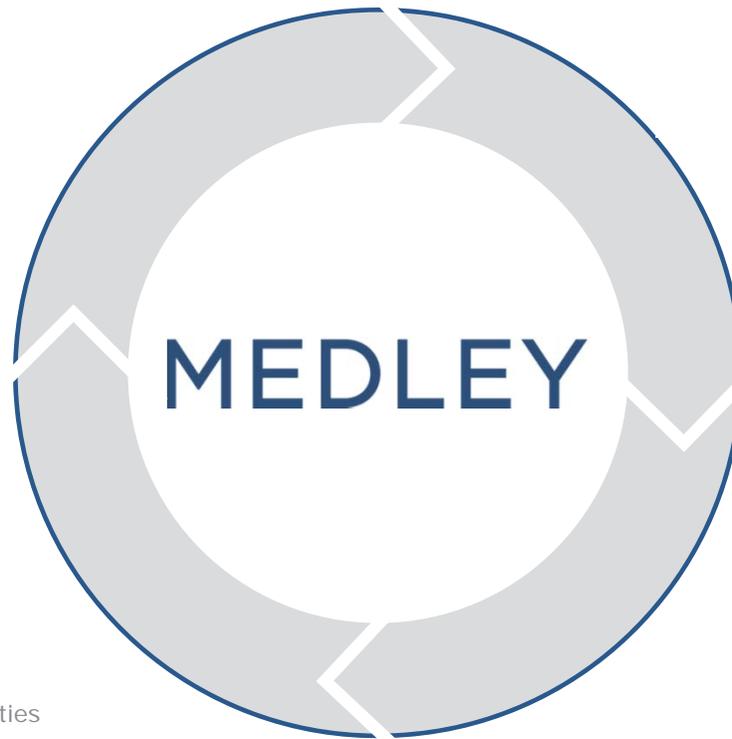
Diversified alternative asset manager with approximately \$4.7 billion of assets under management and synergies between business units (deal flow, ideas, relationships, experience)

Direct Lending

- Lending solutions for private, middle market companies in the U.S.
- National direct origination franchise
- Medley leads origination, underwriting and credit management

Tactical Opportunities

- Structured capital solutions
- Leverages direct lending and institutional deal sourcing capabilities
- Private equity risk-reward profile



Corporate Credit

- Primarily focused on syndicated middle market corporate credit
- Typically larger borrowers than direct lending

Structured Credit

- Investing in CLO equity issued by top tier managers
- Secondary markets investing in CLO equity and related securities
- Capability to sponsor and issue Medley-branded CLOs

2015 Investment Strategy Shift Overview

Beginning in 2015, the Medley lending platform shifted its focus to first lien loans provided to larger, sponsor backed borrowers

- **Results**

- Across Medley, new investments post Q2 2015¹ have produced an IRR of 9.5% (9.0% for the Combined Company^{2,3})
- New investments post Q2 2015 have experienced 0.07% of annualized realized and unrealized losses (0.11% for the Combined Company)⁴
- Three non-accruals out of 256 borrowers' loans originated since the beginning of 2015¹
- Since 2015, Medley has raised over \$1.5 billion of capital across the platform from leading global institutional investors

- **Significant structural and personnel changes**

- New Head of Investing
- New Head of Risk
- Re-composition of the Investment Committees
- Added new senior credit and investing professionals
- Separation of Origination and Underwriting

1. Data provided for illustration purposes only. For performance of complete portfolio please see public filings. Past performance is not indicative of future results.

2. The portfolio data for the Combined Company refers to the combined portfolio of MCC and Sierra as though they were combined during the referenced period. The Combined Company excludes the value of the joint ventures which has an 87.5% economic exposure to the assets.

3. IRR includes both realized and unrealized investments and excludes the impact of base management fees, incentive fees and other fund related expenses. For realized investments, the investment returns were calculated based on the actual cash outflows and inflows for each respective investment and include all interest, principal and fee note repayments, dividends and transaction fees, if applicable. For unrealized investments, the investment returns were calculated based on the actual cash outflows and inflows for each respective investment and include all interest, principal and fee note repayments, dividends and transaction fees, if applicable. The investment return assumes that the remaining unrealized portion of the investment is realized at the investment's most recent fair value, as calculated in accordance with GAAP. There can be no assurance that the investments will be realized at these fair values and actual results may differ significantly.

4. Annualized loss utilizes the loss for each realized and unrealized investment over total capital invested during the life of the investment. The terminal value for unrealized investments is the fair market value as of March 31, 2019.

Summary

The combination of Sierra, MCC and MDLY expected to create a leading, publicly-traded internally managed BDC



1. Bloomberg, Capital IQ and IBES as of June 28, 2019. Ranking based upon assets as of March 31, 2019.