

Sierra, MCC and MDLY Amend Merger Agreements Which Would Create Leading Internally Managed BDC with Enhanced Scale, Diversified Credit Investment Platform and \$4.7 Billion In Assets Under Management

Sandler O'Neill served as financial advisor and provided a fairness opinion to the Special Committee of the Board of Directors of Medley Capital Corporation (NYSE: MCC) in this transaction.

NEW YORK, NY – July 29, 2019 – Sierra Income Corporation ("Sierra" or the "Company"), Medley Capital Corporation (NYSE: MCC, "MCC") (TASE: MCC), and Medley Management Inc. (NYSE: MDLY, "MDLY" or "Medley") today announced that they have entered into definitive amended agreements under which MCC will merge with and into Sierra and Sierra will simultaneously acquire MDLY and its existing asset management business, which will operate as a wholly owned subsidiary of the Company. Following the closing of the transactions, in which Sierra will be the surviving entity, the Company will be operated as an internally managed business development company ("BDC"). Based upon the recommendation of each of their respective special committees of independent directors, the Boards of Directors of Sierra, MCC and MDLY unanimously approved the transactions.

Transaction Highlights:

- The Combined Company will have approximately \$4.7 billion of assets under management, including \$1.8 billion of internally managed assets; ⁽¹⁾
- Upon closing, the Combined Company will have enhanced scale and is expected to be the third largest internally managed BDC and the 13th largest publicly traded BDC by assets;
- The transaction is expected to be accretive to net investment income ("NII") per share for both Sierra and MCC; and
- The transaction is expected to increase share trading liquidity for stockholders of Sierra, MCC and MDLY.

Upon closing, the Combined Company will be led by MDLY's senior leadership team and the investment management team will remain in place.

MCC stockholders will receive 0.66x to 0.68x shares of Sierra Common Stock for each share of MCC Common Stock; the actual exchange ratio will be determined prior to closing and will be subject to adjustment for certain potential costs associated with the transactions. In addition, upon closing, the eligible class members will participate pro rata in a settlement fund consisting of \$17 million of cash and \$30 million of Sierra common stock

MDLY Class A stockholders, other than Medley LLC Unitholders, will receive 0.2668 shares of Sierra Common Stock for each Medley Class A share 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 0.2072 shares of Sierra Common Stock for each MDLY Class A share and \$2.66 per share of cash consideration.

The mergers are subject to approval by Sierra, MCC and MDLY stockholders, regulatory approval, other customary closing conditions and third party consents. The Sierra-MCC merger requires court approval of the stipulation of settlement. The transactions are expected to close in the fourth quarter of 2019.

(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

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